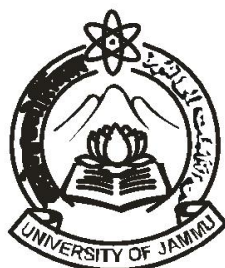


Centre for Distance & Online Education (CDOE)

UNIVERSITY OF JAMMU

JAMMU



**SELF LEARNING MATERIAL
OF
ORGANISATIONAL BEHAVIOUR
FOR
M.COM SEMESTER-1**

For the examination to be held in 2024 onwards

Course No M.COM-C 152

Unit I-IV
Lesson No. 1-20

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COURSE NO. M.COM-C 152

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INTRODUCTION

Dear Learners

Welcome to this self learning organizational behaviour course !

Material long organization behaviour consists of the key concepts, several theories, and models which will help you to understand the individual and group behaviour of employees in the organisations. You can gain a deeper understanding of the complex interactions within the organizations and develop the skills and knowledge needed to become effective leaders and managers in near future. After going through the topics pertaining to Foundations of OB, Dimensions of individual behaviour, group behaviour, organisational conflict , effectiveness and change, you will be acquainted with various contemporary issues in the organizational context.

Coordinator

M.Com

CDOE

SYLLABUS

UNIVERSITY OF JAMMU

M.COM FIRST SEMESTER (NON CBCS)

ORGANISATIONAL BEHAVIOUR

Course : M.COMC152

Max. Marks : 100 Marks

Credit : 4

External : 70 Marks

Time : 3.00 Hrs.

Internal : 30 Marks

(Syllabus for the examination to be held in 2025 onwards)

COURSE OBJECTIVES

1. To familiarize the students with the conceptual framework of OB.
2. To impart knowledge about the dimensions of individual behaviour
3. To provide insight to the students about the group behaviour in Organizational setting.
4. To acquaint the students about contemporary issues in the organizational context.

COURSE OUTCOMES

After the completion of this course, you will be able to:

1. describe the evolution, growth and application of OB;
2. understand the individual differences on the basis perception, learning, personality, attitude & motivation;
3. relate group behaviour & work teams with performance of an organization; and
4. apply the techniques of conflict management, organizational change & stress management;
5. to imbibe the need of organizational change for development.

UNIT I INTRODUCTION

Concept of organizational behaviour (OB); Disciplines contributing to OB; Role and application of OB knowledge to management practices; Foundations of OB: Hawthorne experiments and human behaviour approach; Foundations of individual behaviour; OB models; Challenges and opportunities in OB.

UNIT II DIMENSIONS OF INDIVIDUAL BEHAVIOUR

Perception: Concept, perception and sensation, perceptual process, perceptual selectivity, distortion in person's perception, managerial implications of perception and developing perceptual skills; Learning: Meaning and components of learning process, learning theories, reinforcement principle, OB modification; Personality: Meaning, theories of personality, determinants of personality, personality & behaviour; Attitudes: Concept, theories of attitude formation, factors in attitude formation, work attitude, attitude change; Motivation: Concept, motivation and behaviour, theories of motivation: McClelland's need theory, Alderfer's ERG theory, Vroom's expectancy theory.

UNIT III GROUP BEHAVIOUR

Transactional Analysis (TA): Meaning, levels of self-awareness, ego states, life script, life positions, stroking, psychological games, benefits and uses of TA; Group behaviour: Meaning, types, five stage model of group development, informal and formal groups/ organizations, group norms; group cohesiveness, group decision making & techniques for improving group decision making; Organisational committees, task force, quality circle, teams in organisation; Work teams: Types, effective team, team creation; Leadership theories: Trait, behavioural, situational.

UNIT IV ORGANISATIONAL CONFLICT, EFFECTIVENESS AND CHANGE

Organisational conflicts: Concept and individual level conflict, inter-personal conflict, organisational level conflict and conflict management; Organisational culture: Concept, determinants, developing and sustaining organisational culture; Organisational climate and developing a sound organisational climate; Organisational effectiveness: Concept and approaches; Organisational change: Need, objectives and process in planned change, human reaction and resistance to change; Power and conflicts in organizations; Stress: Meaning, causes, effects and coping strategies for stress, work life balance.

Suggestive Readings :

1. P. Subba Rao, Organisational behaviour, Himalaya Publishing House, Indore, M.P., 12th March 2017
2. Stephen P. Robbins, Timothy A. Judge, Neharika Vohra, Organisational behaviour, Pearson, India Education Services Pvt. Ltd., 2018.
3. K. Aswathappa, G. Sudarsana Reddy, Management and Organisational Behaviour, Himalaya Publishing House, 2020.
4. Fred Luthans, Organisational Behaviour, McGraw Hill Companies, 2005.
5. R.R. Kapoor, Organisational Behaviour, Black & Black, 2024.

NOTE FOR PAPER SETTING

External (End Semester) Assessment will complete of 70 Marks.

The Question Paper will be divided into two sections, covering whole of the syllabus

Section A : This section will comprise of 4 questions of short answer type from all four units, selecting one from each unit. All questions will be compulsory and each question will carry 5 marks (4 x 5 = 20 marks)

Section B : This section will comprise of six questions of long answer type from all four units, selecting atleast one question from each unit. Students will be required to attempt any 5 questions and each question will carry 10 marks. (5 x 10 = 50 marks)

MODEL QUESTION PAPER

Attempt all four questions, Each question carries 5 marks.

Section A

Marks 4 x 5 = 20

- 1) What are the hygiene factors and dissatisfiers of Herzberg theory of motivation?
- 2) What is learning? Discuss classical and operant conditioning theories of learning.
- 3) What is a Group? Explain the Benefits of Groups in an organization.
- 4) How organizational behaviour knowledge can be used in an organization?

Section B

Marks 5 x10 = 50

Attempt any five questions, Each question carries 10 marks.

- 1) Define a Conflict. What is the significance of conflict in an organisation? Explain Organizational Development.
- 2) Transactional Analysis helps in understanding individual behavior. Do you agree with the statement? Substantiate your argument.
- 3) Define Organizational Change. How an organisation can manage resistance to change through a specific strategy?
- 4) "Types of groups in an organisation may lead dynamic approachability" comment on this statement.
- 5) Explain the theories of Motivation proposed by Victor Vroom, and Porter and Lawler.
- 6) Define the term Organisational behavior. Explain the importance of understanding organizational behavior.

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M.Com 1st Sem

Course No M.Com-C 152

Unit I

Lesson NO. 1

**CONCEPT OF ORGANISATIONAL
BEHAVIOUR (O.B.)**

STRUCTURE :

- 1.0 Learning Objectives and Learning Outcomes
- 1.1 Introduction
- 1.2 Concept of Organisation
 - 1.2.1 Meaning
 - 1.2.2 Definitions
- 1.3 Features of the Organisation
- 1.4 Importance of Organisation
- 1.5 Concept of Organisational Behaviour (OB)
- 1.6 Nature of Organisational Behaviour (OB)
- 1.7 Ethical Issues in Organisational Behaviour (OB)
- 1.8 Limitations of Organisational Behaviour (OB)
- 1.9 Let us sum up
- 1.10 Glossary
- 1.11 Self Assessment Questions
- 1.12 Lesson End Exercise
- 1.13 Suggested Readings

1.0 LEARNING OBJECTIVES

- (i) to familiarize the learners with the conceptual framework of organisation.
- (ii) to impart knowledge about the features of organization
- (iii) to explain about this significance of organisation.
- (iv) to acquaint the learners about the concept of organisational behaviour

LEARNING OUTCOMES

After studying this lesson, you should be able to :

- (i) explain the concept of organisation
- (ii) list the features of organisation
- (iii) discuss the importance of organisation
- (iv) explain the concept of organisational behaviour

1.1. INTRODUCTION

Let us begin by briefly discussing the meaning of organization

An organisation is a group of people working together to achieve the specified goals. A manager plays a central role in grouping the people and activities, establishing authority and responsibility and interacting with people for the achievement of the rganisation goal. He performs the functions of planning, organising, directing and controlling for smooth functioning of the organisation. Moreover, continuous influence of dynamic environment on the organisation requires new managerial techniques to manage these changes. The detailed study of various aspects of organisation and management may provide proper techniques for managing them effectively. In this unit, you will learn the concept of organisation and organisational behaviour.

1.2 CONCEPT OF ORGANISATION

To understand the basic concept of organisation, let us learn it through following dimensions of enquiry:

- What? - What do we mean by an organisation? - Meaning
- Why? - Why is study of organisation needed? - Significance
- When? - When are organisations able to serve its purpose (or otherwise fail)?
- How? - How are organisations Structured?

- Where? - Where to find people who can manage organisations well?
- Who? - Who are the people having ability to create excellent organisation?

1.2.1 MEANING OF ORGANISATION

As all of us know that It is essential that organizations should function effectively if they are to be useful. Ineffective organizations are no better than sick people. Organisations are said to be effective when they produce quality goods and services at reasonable cost without compromising on profit-making. The other requirement of the effectiveness is that the organisation should seek to satisfy their diverse stakeholders. Stakeholders are all the people and groups affected by, or that can affect, an organisation's decisions, policies and operations.

An organisation, is a group of two or more people working together in a structured way to achieve a specific goal or set of goals according to **Stoner, Freeman & Gilbert**. Through this description, certain salient features of an organisation emerge. These are:

- (i) Organisation is a conglomerate of multiple number of persons; e.g. Earth is a specialised conglomerate of organisms.
- (ii) Relationship among people working together is defined through structure. Through structure, communications take place among persons working in the organisation. Such structure may be relatively rigid, as in the case of formal structure, or the structure may be relatively loose, as in the case of informal structure.
- (iii) Organisation strives to achieve a planned goal. The goal(s) may be singular or plural. Goal is one of the fundamental elements of an organisation.

P. Robbins describes an organisation as a consciously coordinated social entity, with a relatively identifiable boundary that functions on a relatively continuous basis to achieve a common goal or set of goals. The additional salient features of this description of organisation are as follows :

- (i) The activities at an organisation are 'consciously coordinated.' It means affairs at organisation are properly managed. It implies importance of management in organisation.
- (ii) The term 'relatively identifiable boundary' implies that organisation works within a flexible yet definable boundary. Any organisation with a significant size has three layers of boundaries. The innermost boundary contains the internal stakeholders i.e. employees, shareholders, and board of directors. The next layer consists of external stakeholders i.e. customers, competitors, financial institutions, suppliers, government,

labour unions, media, and special-interest group. The outermost boundary consists of major macro variables like economic variables, technological variables, political variables, legal variables, and social variables.

1.2.2. Definitions :-

Brown and Moburg describe organisations as relatively permanent social entities characterised by goal-oriented behaviour, specialisation, and structure. This description of organisation suggests that organisations have four basic features:

- (1.) Organisations are relatively permanent social entities though many changes which might be taking place within the organisation- thus continuity is at the core of existence of any organisation.
- (2.) Goals remain an integral part of any organisation;
- (3.) Organisations need highly specialised skills to attain goals,
- (4.) In order to bring together various work activities, organisations need to have structures.

Hicks describes an organisation as a structured process in which persons interact for objectives. This description indicates five facts that are common to all organisations:

- (1.) An organisation always includes persons.
- (2.) These persons are involved with one another in some way.
- (3.) The interaction among the persons can always be ordered or described by some sort of structure.
- (4.) Each person in the organisation tries to meet personal objectives also.
- (5.) These interactions can also help to achieve compatible joint objectives, i.e. organisational objectives and personal objectives.

Schein describes organisation as planned coordination of the activities of a number of people for the achievement of some common, explicit purpose or goal, through division of labour and function and through hierarchy of authority and responsibility. According to this definition, Organisations have following characteristics:

- (1.) Coordination of efforts;

- (2.) Common goal;
- (3.) Division of labour;
- (4.) Hierarchy of authority.

Need of an organisation:

Arguing in favour of rationale for the creation of organisations, **Chris Argyris** states that organisations are usually created to achieve objectives that can best be met collectively. This means that the sequences of activity necessary to achieve objectives are too much for one individual and they must be cut up into sequential units that are manageable by human beings. At the individual level the units are roles; at the group level the units are departments. These units are integrated or organised in a particular sequence or pattern designed to achieve the objectives, and the resulting pattern constitutes the organisation structure.

Organisations have become cornerstone of our basic existence. Organisations pursue goals and objectives that can be more efficiently and effectively achieved by the determined actions of individuals. Hospitals, educational institutions, production units, service centres are nothing but organisations. Our civilized life would perhaps collapse without various organisations around us. Therefore there is need for us to know how does an organisation work? Further it is more important to make organisations around us healthier and more effective for better future.

When are organisations able to serve its purpose (or they otherwise fail)?

Organisations are able to serve their purpose when they are well managed. In fact study of organisation and study of management of organisation go hand in hand. A well managed organisation is able to utilize human inputs and its resources like money, material, machine, motivation of employees, market etc. in an integrated manner. Organisations are able to survive and excel if they utilize their all resources in tune with the market needs. Successful organisations also orient themselves towards external factors like economic environment, political environment, legal environment, social environment, environment of international market etc.

- **How are organisations structured?**

There are various approaches to structure and design organisations. At this point of time, it would be desirable for you to comprehend that organisational structure or its design which is appropriately chosen to facilitate various factors like flow of communication, decision making, execution of decision, controlling, and integration of all activities of the organisation.

- **Where to find people who can manage organisations well?**

People who can manage an organisation well may be found within the already existing organisation. Otherwise in a newly established organisation or in case of old organisation, appropriate people can be identified from outside. People who are already within the organisation can be further developed for higher responsibilities through developmental programmes, on the job training, and career planning. Appropriate people from outside can be identified for positions at various levels through proper recruitment and selection policies and procedures.

- **Who are the people having ability to create excellent organisation?**

In fact employees are the greatest assets of an organisation. In modern organisations, employees are expected to possess multiple skills. In order to perform various activities in an organisation, different persons are expected to possess different skills, so that organisation has an appropriate skills-basket. Normally people who can create excellent organisation have many desirable skills and traits. Some important skills and traits are:

1. Integrative values i.e., ability to generate faith and trust;
2. Organising
3. Ability to see further i.e., ability to perceive future trend;
4. Ability to put adequate effort;
5. Up-to-date skills to perform ever changing nature of task;
6. Skills to establish effective human relations with insiders and outsiders;
7. Ability to generate adequate resources.

We are born in organisations, educated by organisations and most of us spend much of our lives for organisations. An organisation is a coordinated social entity, grouped together and interact for the achievement of the common goal. It refers to the process of identification and grouping of activities, defining and establishing the authority responsibility relationship and determining the manner in which the organizational activities are interrelated. Thus the organisation consists of a group of people working together-for the achievement of the organisational goals.

Various theories have been propounded which explain the organisation in terms of closed, open and dynamic system. Traditionally organisation is viewed as a **closed system** - which does not get affected by external environment - Here the focus is for designing sound organizational structure which facilitates people to accomplish its objectives smoothly. Contrarily the modern view of organisation accepts the environment as an integral part of organisational reality. Therefore to accomplish predetermined goals, the organization must adapt to external environment. The **open system's** view perceives the organization as a social system which is composed of a number of sub systems all of which are independent and interrelated. Man and his organisations are interwoven. Man works in the organization and seeks great benefits from organisations. Successful organisations imply the well coordinated efforts of two or more persons. These persons may enhance their abilities and reap the benefits from organisational entities.

Thus organising refers to the process involving the identification and grouping of activities to be performed defining and establishing the authority responsibility relationships. This enables people to work most effectively together in achieving the objectives of an enterprise. In a general sense, organising consists of determining and arranging for men, materials, machines and money required by an enterprise for the attainment of its goals. In a restricted and operational sense, the term organising means defining the duties and responsibilities of the people employed, and determining the manner in which their activities are to be interrelated. The end result of organising is the creation of a structure of duties and responsibilities of people in at different positions. Those duties are grouped according to the similarity and interrelated nature of activities. In other words, the outcome of the organising process is an organisation consisting of a group of people working together for the achievement of one or more common objectives.

According to **Curtis W. Cook and Philip L. Hunsaker** "OB refers to the behaviour of individuals and groups within organizations and the interaction between organisational members and their external environment.

According to **Stephan P. Robbins**, "OB is a field of study that investigates the impact that individuals, groups and structure have on behaviour within organizations for the purpose of applying such knowledge towards improving an organisation's effectiveness."

Robbins has defined organisation as a consciously coordinated social entity, with a relatively identifiable boundary that functions on a relatively continuous basis to achieve a common goal or set of goals. Thus, it can be concluded that an organisation is an economic and social entity in which a number of persons perform tasks to achieve a predetermined objectives. This helps them to accomplish the personal goals- like socio-economic satisfaction which they cannot achieve alone. Similarly it is a system of clearly defined structure of activities consciously designed to allow organisational participants to work effectively towards a common goal.

1.3 FEATURES OF ORGANISATION

Let us talk about the features of an organisation:

1. **Group of People** - An organisation comes into existence when a group of people combine their efforts for some common purpose and willingly contribute towards their common endeavour.
2. **Division of Work** - Setting of an organisation involves division of the total work into various activities and functions, and assigning the tasks to different persons according to their skill, ability and experience.
3. **Common Purpose** - Every organisation comes into existence on the basis of goals of the enterprise which are separate from the personal goals of the people employed. It is the common purpose of the organisation which provides, the basis of cooperation among the members of the organisation.
4. **Vertical and Horizontal Relationships** - An organisation creates cooperative relationships between different departments and divisions as well as between superiors and subordinates. Different functions and activities like production, marketing, financing etc. are integrated for the achievement of proper coordination. The duties and responsibilities of superiors and subordinates in each department or division are also unified so as to serve the purpose of their joint efforts.
5. **Chain of Command** - The superior-subordinate relationships established in

an organisation are based on the authority which flows from the higher levels of management to the next lower levels, thereby forming a hierarchical chain. This is known as the chain of command, which, also determines the line of communication.

6. **Dynamics of Organisation** - Besides the structural relationships among people which are based on their activities and functions, there exists an Organising interactions based on sentiments, attitudes and behaviour of individuals and groups. These aspects of relationship provide a dynamic element to the organisational functioning. They are subject to change from time to time.

1.4 IMPORTANCE OF ORGANISATION

As you are well aware that a sound organisation contributes greatly to the continuity and success of the enterprise. Its importance can be discussed below:

1. **Facilitates Administration** - Sound organisation facilitates management to relate resource flows continually to overall objectives. It provides an appropriate platform from where management can perform the functions of planning, direction coordination, motivation and control.
2. **Facilitates Growth and Diversification** - It helps in organisational collaboration, growth, diversification of activities and is facilitated by clear division of work, proper delegation of authority etc. As the organisation expands to a reasonable proportion the functional types can be replaced by a more flexible decentralised organisation.
3. **Permits Optimum use of Resources** - Sound organisation permits optimum use of technical and human resources. The organisation can incorporate the latest technological improvements like computers, electronic data processing machines etc. It permits optimum use of human efforts through specialisation. It also develops people by creating appropriate training and promotion opportunities. Thus organisation gives the greatest possible strength to a company for meeting future challenges.

4. **Stimulate Creativity** - Specialisation provides individuals with well defined duties, clear lines of authority and responsibility. Sound organisation structure enables managers to turn over routine and repetitive jobs to support positions and concentrate on important issues where they can exploit their potential better. Thus, it encourages the creativity of the people.
5. **Encourages Humanistic Approach** - People can work in team and not like robots or machines. Organisation provides job rotation, job enlargement and enrichment Jobs are designed to suit the human needs and are made meaningful and interesting. Organisation adopt efficient methods of selection, training, remuneration and proper delegation and decentralisation, conducive working environment and democratic and participative leadership which provide higher job satisfaction to the employees. It enhances the interaction among different levels of the management.

Although we have discussed the importance of the organization. We know that a sound organisation structure by itself does not guarantee success. According to **Drucker** good organisation structure does not by itself produce good performance-just as a good constitution does not guarantee great presidents, or good laws or a moral society. But a poor organisation structure makes good performance impossible, no matter how good the individuals may be.

A. CHECK YOUR PROGRESS

Mark the below options as (✓) Right or (X) Wrong.

- (i) Organisation helps in growth be diversification of activities in facilities by clear division of work ()
- (ii) Organisation does not permit optimum use of technical and human resources. ()
- (iii) Organisational structure is about performing managerial tasks ()

1.5 CONCEPT OF ORGANISATIONAL BEHAVIOUR (OB)

Organisational behaviour is concerned with understanding, predicting and influencing human behaviour in Organisational settings.

Organisational behaviour is not a discipline in the usual sense of the term, but is rather an elective field of study involving the integration of the behavioural sciences (e.g., psychology, soclalogy, anthropology, etc.) into the study of people's behaviour within Organisations. While those who conduct research in Organisational behaviour often come from business schools, they may have their roots in diverse areas such as political science, sociology, psychology or anthropology. It is the integration of relevant knowledge of these areas that has given us a new field of study-Organisational Behaviour (OB).

OB is primarily concerned with that aspect of human behaviour which is relevant for organisational performance. It studies human behaviour at individual level, group level and Organisational level. It applies the knowledge gained about individuals groups and the effect of organisationstructure and Organisational culture on behaviour towards the end of making Organisations work more effectively.

1.6 NATURE OFORGANISATIONAL BEHAVIOUR (OB)

Organisational behaviour is emerging as a separate field of study. Therefore its nature is likely to change over the period of time. However, we can discuss its nature as follows :

1. **A Field of Study and not a Discipline** - Organisational behaviour can be treated as a distinct field of study and not a discipline or even emerging discipline. A discipline is an accepted science with a theoretical foundation that serves as the basis for research and analysis. Organisational behaviour because of its broad base recent emergence and inter-disciplinary orientation is not accepted as science. We have just begun to synthesize principles, concepts, and processes in this field of enquiry. Therefore, it is reasonable to call it a field of study rather than a discipline.
2. **Interdisciplinary Approach** - OB is basically an interdisciplinary approach. An inter-disciplinary approach integrates the relevant knowledge drawn from different disciplines for some specific purpose. As discussed later, OB draws heavily from psychology, sociology and anthropology. Besides, it also takes relevant things from economics, political science, law and history. These disciplines exist separately, but OB integrates the relevant contents with these disciplines to make them applicable for Organisational analysis. Thus, OB imparts knowledge from the integration of knowledge from different disciplines.
3. **An Applied Science**- The basic objective of OB is to make application of various research techniques to solve the organisational problems particularly related to human beings aspect. Though many of the researches may be carried on in a laboratory situation or controlled conditions, but OB research principles are meant for general. Thus organisational behaviour is both a science as well as art.

4. **Normative and Value Centred** - OB is a normative science. A normative or the positive science suggests only cause-effect relationships and prescribes how the findings of the researches can be applied to get Organisational results which are acceptable to the society. Thus, what is acceptable to the society is a matter of value to the people concerned.
5. **Humanistic and Optimistic** - OB focuses the attention on people from humanistic point of view. It is based on the belief that needs and motivation of people are of high concern. There is an acceptance of the value of the individual as a thinking feeling organism and without these considerations the Organisation may not be fully operational as a social entity. There is optimism about the innate potential of man to be independent, creative, proud and capable of contributing positively to the objectives of the Organisation. Thus the, man will actualize this potential if proper conditions and environments are given to him.
6. **Oriented towards Organisational Objectives** - OB being an applied science and emphasizing aspect of the Organisation, is oriented towards organizational objectives. Though an organisation may have several objectives and sometimes conflicting objectives with individuals which should not be understood that OB only emphasizes the objectives at the cost of Organisational objectives. In fact, OB tries to integrate two types of objectives so that these are achieved simultaneously. For this purpose, it suggests various behavioural approaches.
7. **A total system approach**- OB is a total systems approach wherein the living system of an organization is viewed as an enlargement of a man. The systems approach is an integrative approach which takes into account all the variables affecting Organisational functioning. In fact, the system thinking in Organisational analysis has been developed by behavioural scientists. Behavioural science while analyzing organisational behaviour does not take human being in isolation but as the product of socio-psychological factors. Thus the behaviour can be analyzed keeping in view his/her psychological framework, interpersonal orientation group influence and social and cultural

factors. Thus man's nature is quite complex and OB by applying systems approach tries to find solution of this complexity.

1.7 ETHICAL ISSUES IN ORGANISATIONAL BEHAVIOUR (OB)

Ethical issues in managing organisations have been given high priority by many forward looking organisations since long. However, these issues have received added importance because of emergence of corporate governance in management throughout the world including India. Ethical issues in managing an organisation covers its all areas including organisational behaviour. Ethical issues in organizational behaviour are in the form of business ethics which refers to an that it should play a significant role in guiding the conduct of managers and employees in the operation of any work. These moral principles help in deciding what is right' or wrong action. The implication of ethics is that only right actions should be taken and wrong actions should be avoided.

Need for ethics in Organisational behaviour can be justified both theoretically and operationally. Theoretically, ethics is justified if we take it in terms of action and counter action. This suggests that any action which is undesirable will not be effective in the long run because there will be counter action which will negate the earlier action. Thus, unethical action will bring temporary result only. Operationally too, ethics is justified as those Organisations which adopt ethical practices are in a better position to attract resources of various types. Thus, need for ethics in organisational behaviour is due to the following reasons:

- 1. Moral Consciousness** - Every individual is morally conscious. Since an Organisation is a collectivity of individuals for certain specified objectives, it tends to behave ethically. Organisations tend to feel that their long-term survival depends on ethical behaviour and any unethical behaviour is a short term downfall. Because of this feature there is a proverb, 'honesty is the best policy in the long term.'

2. **Credibility**- Ethical behaviour helps in building credibility of an Organisation. Credibility of an Organisation is an essential condition because through it the Organisation protects its identity. Identity of an Organisation refers to what it is and what kind of perception people have about it. Credibility of the Organisation depends on trustworthiness, transparency and honesty. For an Organisation, credibility is a long drawn process and its results are short one. Thus a high credibility can be maintained through continuous ethical behaviour.
3. **Environmental Pressure**-An Organisation is not an island in itself but is an organ of the society. Therefore various organs of the society put pressure on the Organisation to behave ethically. **For example**, unethical practices may be checked by employees concerned. Employees of the Organisation which adopt unethical practices may leave the organisation. Because of this in built control mechanism of the society, there are more chances of ethical behaviour and less chances of unethical behaviour. However the effect of this in-built control mechanism depends on its relative force which, in turn, depends on the social structure.
4. **Legal Pressure**- Ethical behaviour evolves from the social system. Thus, ethical behaviour is evolutionary. In this evolution process there is a possibility that, sometimes, it may not be clear whether a particular behaviour is ethical or unethical. In order to avoid this dilemma, most of the societies enact laws which define ethical and unethical behaviour. These legal provisions are of mandatory nature. There are numerous legal provisions related to how to deal with employees.

Inculcating Ethics in Organisational Behaviour

Looking at the need for ethics in Organisational behaviour but prevalence of unethical practices in the society. Organisations have to take steps for inculcating ethical practices for their long-term interests. Various means that an Organisation can use to inculcate ethics in employees are as follows:

1. **Top Management Approach**- Top management approach regarding ethical practices in the Organisation sets the tone for ethical practices in general

including employee behaviours. There are some Organisations which give very high importance to ethical practices and adopt strict measures to control unethical practices. **For example**, Wipro's chairman has formulated values and beliefs to govern individual and company relationships with the highest standards of conduct and integrity. These values and beliefs are adhered to by all even in compelling reasons for unethical behaviour. Anyone found soft on integrity front is discharged from the Organisation irrespective of his position. There are many other Organisations and business groups in India which have set such ethical tone and top management has provided this tone.

2. **Code of Conduct/Ethics-** Various Organisations formulate code of conduct/ethics to be followed in conducting various management practices. **For example**, Reliance Industries has formulated very comprehensive code of ethics for various activities which include work ethics and personal conduct also.
3. **Ethics Training-** Organisations which are serious in infusing ethics in employees undertake training programmes to make their employees aware about ethical standards and how these standards can be maintained. Sometimes, ethical dilemmas emerge that contain uncertainty in defining ethical/unethical practices because of lack of obvious differences between the two. Through ethics training, such dilemmas can be resolved easily. In order to make ethics training programmes effective, it is desirable that top management involves itself in the programmes so that the participants are impressed about the seriousness of ethics. Further, such programmes may be conducted by internal personnel with suitable and required inputs from external consultants. Involvement of internal personnel in changing employee behaviour having moral implication is more effective than its alternative.
4. **Whistle Blowing-** Organisations may have effective system of whistle blowing to curb unethical practices. In this system, Organisational members are encouraged to report upward about the unethical practices committed by any member. However, whistle blowing may work effectively only when cultures of the Organisations support the system. In its absence, whistle blowers are likely to be punished which may discourage them from such whistle blowing.

There is a famous saying about ethical behaviour: 'All the *positives* of a person's ethical behaviours are undone by just his/her single unethical behaviour'.

3. **Communication-** Communication is the building block of an Organisation. It is communication through which people come in contact with others. Positions in the Organisation particularly at higher level, spend considerable time in communicating. To achieve Organisational effectiveness the communication must be effective. The communication process and how it works in interpersonal dynamics has been evaluated by Organisational behaviour. The factors that affect communication have been analyzed so as to make it more effective.
4. **Organisational Climate-** Organisational climate refers to the total Organisational situations affecting human behavior. Organisational climate takes a systems perspective and affects human behaviour. Organisational behaviour suggests the approach to create Organisational climate in totality is focusing on merely improving the physiological conditions or increasing employee satisfaction by changing isolated work process. Satisfactory working conditions adequate compensation, and the necessary equipments for the job are viewed as only small part of the requirements for sound motivational climate. However importance is the creation of an atmosphere of effective supervision, the opportunity for the realization of personal goals, congenial relations with others at the workplace, and a sense of accomplishment. Thus, OB has discovered a new approach of managing people in the Organisation.
5. **Organisational Adaptation-** Organisations as dynamic entities are characterized by pervasive change. In this age of environmental variability the real job of a manager is to provide continuity in Organisations because the Organisations have to adapt themselves to the environmental changes by making suitable internal arrangements. However, such Organisational arrangements are mostly resisted by the internal people. Thus managers have to face dual problems identifying need for change and then implementing the change without adversely affecting the need for satisfaction of Organisational people. It is also the essence of managing change.

B. CHECK YOUR PROGRESS

Match the following

- | | |
|--------------------------------|------------------------------------------------------|
| (i) Whistle blowing | (a) adapt to changes by making internal arrangement. |
| (ii) Organisational Adaptation | (b) To curb unethical practices |
| (iii) Ethics Training | (c) awareness about ethical standards |

1.8 LIMITATIONS OF ORGANISATIONAL BEHAVIOUR (OB)

Organisational behaviour as a field of study should not be treated as a magic word that can erase all behavioural problems in an Organisation. It is only a way to improve not an absolute answer to the problems. First it is a part of the whole cloth of an Organisation This happens because Organisational behaviour has the following limitations

- 1 **Lack of Unified Theory:** Organisational behaviour has not produced a unified theory which can be applied in a situation. However various theories developed in Organisational behaviour lack this phenomenon This situation Is understandable as Organisational behaviour deals with human behaviour which is a very complex phenomenon. This complexity increases if we take into account individual differences and dynamic situations in which the individuals work. Therefore, predicting human behaviour correctly and consequently concudong it effectivelyby using the knowledge of Organisational behaviour falls short of desirable requirements.
2. **Behavioural Bias :** Managers who lack system understanding and become superficially infatuated with Organisational behaviour may develop a bias, which gives them a narrow viewpoint that emphasizes satisfied employee experiences while overlooking the broader system of the Organisation in relation to all its stakeholders Concern for employees can be so greatly overdone that the original objective of bringing people together to make them productive to increase Organisational outputs is lost. Sound Organisational behaviour should help achieve Organisational goals, not replace them.
- 3 **Law of Dimnishing Returns :** Overemphasis on Organisational behaviour may produce negative results as indicated by the law of diminishing returns. It is a limiting factor in Organisational behaviour the same way as it is in economics. In economics the law of diminishing returns refers to a declining amount of extra output when more of a desirable input is added after a certain point. At a point there may be even zero extra output with extra amount of input. The law of diminishing returns in Organisational behaviour works in the similar manner. It states that at a point, increase of a desirable Organisational

behaviour practice produces declining returns eventually zero returns or even negative after a point. This concept implies that for any situation, there is an optimum amount of desirable practice.

- 4 Unethical Manipulation of People :** The philosophical orientation of behaviour is supportive to human resources. It seeks to improve the human environment and help people to grow to their potential. However, knowledge and technique of Organisational behaviour may be used for negative consequences too. Since this is for knowledge and techniques for any field, this is not a specific limitation of Organisational behaviour. However, managers should take adequate safeguards to ensure that the knowledge and techniques of Organisational behaviour should not be or manipulating people as we have pointed out in ethical issues in organizational behaviour.

VIRTUAL ORGANISATION

Virtual organisation, according to Biswajeet Pattanayak, is a "Social network in which all the horizontal and vertical boundaries are removed. It consists of individuals working out of physically dispersed workspaces, or even individuals working from mobile devices and not tied to any particular workspace. It is the coordination intense structure, consisting primarily of patterns and relationships, and this form needs the communication and information technology to function."

Characteristics of Virtual Organisations: Characteristics of virtual organizations include

- Flexi-work, Flexitime and Flexi-workplace
- Part-time work
- Job sharing
- Home-based working
- Dependency on information technology like e-mail integration, voice-mail, mobile phone networks, computer-telephony integration, etc.
- Loose organisational boundaries
- De-jobbing
- Multi-skilling
- Flexibility in power, work, etc.
- Goal directed
- Customer centred.

Virtual Organisations and Behavioural Implications:

Behavioural implications and trends in virtual organisation include:

- Organisation's human resources are the loose web of people;
- Knowledgeable people are hired for short-term projects depending upon market demand;
- Employees have autonomy at work but are accountable to the targets, performance etc.;
- Employees can work from their homes (home-cum-office) or from any other place as such social and work environment do not draw much attention of HR Manager;
- Career planning and development are based on projects;
- Employees are selected based on not only technical skills but their ability to work in teams; and
- Emotional and attitudinal quotient (EAQ) is the prime factor in employee selection rather than intelligence quotient (IQ).

1.9 LET US SUM UP

Organisation as a process is an executive function which centres around the dynamics of organisation growth and change. However organisational behaviour is the study of human behaviour in relation to other components of organisation.

1.10 GLOSSARY

- Conglomerate – a thing consisting of different parts
- Organisation – something that is organised.
- Organisational behaviour – study of human behaviour in an organisation.

1.11 SELFASSESSMENT QUESTIONS

1. List the Characteristics / features of an organisation.
 - i. _____
 - ii. _____
 - iii. _____
 - iv. _____
 - v. _____
2. What are the Components of an organisation ?
 - i. _____
 - ii. _____

3. Define organizational behaviour

i. _____

ii. _____

1.12 LESSON END EXERCISE

Fill up :

1. Organisation is important because

1. _____

2. _____

3. _____

4. _____

2. What do you mean by chain of command in an organization?

1. _____

2. _____

3. Differentiate between organisation and organisational behaviour

1. _____

2. _____

Answers to Check your progress

A (i) (✓) (ii) (X) (iii) (X)

B (i) (b) (ii) (a) (iii) (c)

1.13 SUGGESTED READINGS :

1. P. Subba Rao, Organisational behaviour, Himalaya Publishing House, Indore, M.P., 12th March 2017
2. Stephen P. Robbins, Timothy A. Judge, Neharika Vohra, Organisational behaviour, Pearson, India Education Services Pvt. Ltd., 2018.
3. K. Aswathappa, G. Sudarsana Reddy, Management and Organisational Behaviour, Himalaya Publishing House, 2020.
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5. R.R. Kapoor, Organisational Behaviour, Black & Black, 2024.

M.Com 1st Sem

Course No M.Com-C 152

Unit I

Lesson No. 2

DISCIPLINES CONTRIBUTING TO OB

STRUCTURE

- 2.0 Learning Objectives & Learning outcomes
- 2.1 Introduction
- 2.2 Disciplines contributing to OB
- 2.3 Role of OB Knowledge to Management Practice
- 2.4 Application of OB Knowledge to Management Practice
- 2.5 Let us sum up
- 2.6 Glossary
- 2.7 SelfAssessment Questions
- 2.8 Lesson End Exercise
- 2.9 Suggested Readings

2.0 Learning Objectives

- (i) To familiarize learners about the relationship between organisational behaviour and other fields of study (O.B.)
- (ii) To impart knowledge about different disciplines of O.B.
- (iii) To explain challenges and opportunities of O.B.

Learning outcomes

This lesson will help you to

- (i) Explain how OB and other fields of study are related
- (ii) List different disciplines contributing towards OB
- (iii) Describe different challenges and opportunities of OB

2.1 INTRODUCTION :

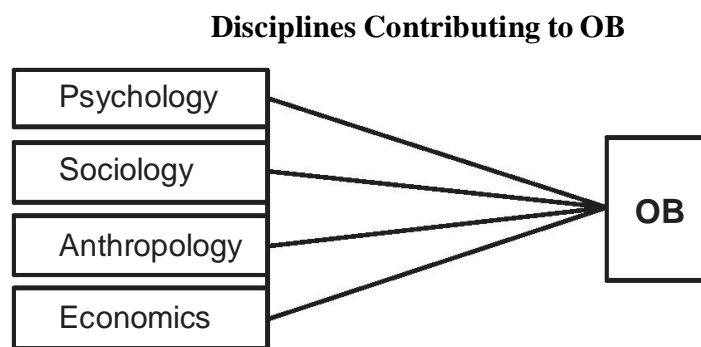
The Dictionary meaning of an organisation is “Something that is organised”. It could be a family, school, church or football team or it could be a corporation, army or Government. Thus organisation is a social unit with some specific purpose. Generally, organisation refers to a company or the group of persons, who are working together to achieve a common objective. Apart from this simplistic approach to the concept of organisation, it has been perceived differently by different persons. The biologists consider the human body as organisation, and the political scientists think of Government as an organisation. Organisation thus viewed by different disciplines presents only the lopsided picture of organisation.

It was this diversity in viewpoint that March and Simon preferred not to define the term “Organisation”. They stated that “it is easier to give examples of formal organisations, rather than define the term”. Nevertheless, sociologists like Barnard (1938), Etzioni (1964), Scott (1964), Thomson (1967), political scientists like Gross (1968), Presthus (1958), and Simon (1952), psychologists like Schien (1970), and management scientists like Litterer (1965), Strother (1963), R.C. Davis (1951), Louis Allen (1958) organisation have defined as a system in which individuals and groups operating at different levels perform the tasks assigned to them within the framework of delegated authority and responsibility which are rationally coordinated to achieve the desired organisational goals.

2.2 DISCIPLINES CONTRIBUTING TO OB

OB is not a discipline but it uses knowledge developed in the relevant disciplines. OB basically draws concepts and principles from behavioural sciences

and the core disciplines of behavioural sciences are psychology, sociology, anthropology. Since these disciplines themselves are part of social sciences it can be said that OB draws something from social sciences like economics, history, and political science. Relationship between different academic disciplines has been presented in Exhibit 2.1



OB draws knowledge from all these disciplines but it does not draw the whole knowledge of these disciplines but only the relevant knowledge which helps in predicting and directing human behaviour in the Organisation. The contributions of core disciplines of behavioural sciences to Organisational behaviour are as follows:

- 1. Psychology-** The term psychology comes from the Greek word 'psyci' meaning soul or spirit. Modern psychology is almost universally defined as the science of behaviour which is nearly identical with behavioural science, in general. Though there are two other disciplines which make behavioural science and psychology to be more closely identified, with overall behavioural science. Psychology is a science of behaviour, the term behaviour being interpreted literally, for it comprises not only objective and subjective form of human behaviour but also the behaviour of the animals. Psychology studies behaviour in various conditions-normal, abnormal, social, industrial, legal, childhood, adolescence, old age, etc. It also studies, processes of human behaviour, such as learning, thinking, memory, sensation, perception, emotion, feeling, and personality. Its contributions to behavioural science, as applied to managerial practices, are in the field of learning, perception, motivation, individual and

group decision. making, pattern of influence, group process, vocational choice and satisfaction, communication, personnel selection and training, and change in Organisations. In fact, there is a separate. branch of industrial psychology which deals with the application of psychological facts and principles to the problems concerning human relations in Organisations. Human relations is the Integration of human factor into work situation which motivates it to work together and effectively providing it social, psychological and economic satisfaction. From this point of view, the contribution of psychology is quite significant.

2. **Sociology-** Sociology can be described as an academic discipline that utilizes the scientific method in accumulating knowledge about man's social behaviour. It studies the patterned, shared human behaviour the way in which people act toward one another. It specifically studies social groups, social behaviour, society, customs, situations, social class, status, social mobility, and prestige. It has also developed sociology, industrial sociology, sociology of law, family sociology, educational sociology, and 'sociology of religion. To the managerial practice, its contribution is mainly in the field of role and structure of social system, theory, group dynamics, effect of industrialization on the social behaviour etc.
3. **Anthropology.** The term anthropology combines the Greek stem 'anthropo' meaning man and the noun ending 'logy' meaning science. Thus, anthropology can be defined as the science of man. It particularly studies civilization, forms of cultures and their impact on individuals and groups, biological features of man and evolutionary pattern and relationship among languages Anthropology contributes in understanding the cultural effects on Organisational behaviour, effects of value systems, norms, sentiments, cohesion, and interaction.

Besides these three basic behavioural disciplines, economics contributes in understanding the decision process methods of allocating scarce resources on organisations and the impact of economic policy on Organisations. Political science provides clue to conflicts in Organisations, power and authority structure, and overall administrative process. From historical approach, case studies have emerged which have helped in clarifying the roles of decision makers.

A. Check Your Progress

(✓) For correct answers

- | | |
|--------------------------------------|----------------------|
| (i) Sociology studies: | |
| (a) Forms of cultures | (b) Social class |
| (c) Biological features of man. | |
| (ii) Anthropology can be defined as; | |
| (a) Process of human behaviour | (b) Social behaviour |
| (c) Civilization and culture | |

● **OB AND OTHER FIELDS OF STUDY**

As discussed above, the emerging field of study of human behaviour in Organisation is referred to by different names-organizational behaviour, behavioural science, human relations or Organisation theory. Though each of them tries to study human behaviour in organisation and they are used interchangeably in many cases, they differ in their approaches. In the following paragraphs, a comparison between OB and other similar fields of study, such as behavioural science and human relations is presented.

1. **OB and Behavioural Science-** A comparison of OB and behavioural science shows that both have similar focus on Organisational study. Behavioural science can be defined as the study of human behaviour to establish generalizations that are supported by empirical evidence collected in an impersonal and objective way. This evidence must be capable of verification by other interested scholars and procedures must be completely open to review and replication. Thus behavioural science is interested in studying human behaviour in a scientific way. Therefore behavioural science avoids speculation about 'what is' and normative discourse about 'what ought to be.' This characteristic differentiates between OB and behavioural science. Though OB also uses scientific methods in collecting facts about human behaviour, it goes one step further by providing the answer of the question what ought to be in a given situation rather than merely giving the answer of the question what it is in the given situation. This normative aspect of human behaviour in Organisation goes a long way in improving human behaviour in the Organisation to realize its objectives.
2. **OB and Human Relations-** A comparison of OB and human relations shows that sometimes both are used synonymously while at other times a distinction is made between the two. Human relations broadly applies to the interaction and cooperation of people in groups. This can happen to any aspect of human activity-Organisational or non Organisational. Thus human relations can be applied in a wider context either in Organisational context or non-Organisational context. When human relation is used in the Organisational context particularly in business and industrial Organisations the term has quite a different connotation for persons in managerial positions. In this context it

means the integration of people into a work situation which motivates them to work together effectively. The basic implication of motivating human beings in the Organisation is that managers are no longer pushing or driving forces but their role is to help release and guide the inner drives of human beings who alone are capable of producing the things.

Besides the context in which human relations and Organisational behaviour are used there are other dimensions on which both differ. First human relations reflect that people primarily respond to their social environment and motivation depend more on social needs. However OB assumes that people are quite complex and respond to a variety of factors and therefore satisfaction of their social needs does not necessarily motivate them. Second human relations assumes that a satisfied worker is more productive while OB assumes that there is no direct cause-effect relationship between satisfaction and productivity. Thus it is not necessary that a satisfied worker is more productive even satisfaction emerges from better productivity.

2.3 ROLE OF OB KNOWLEDGE TO MANAGEMENT PRACTICES

As discussed earlier the suitable knowledge of theoretical concepts in any discipline help greatly in solving the problems involving that area. This is also true with organisational behaviour. OB offers several ideas to management as to how human factors should be properly emphasised to achieve organisational objectives. Human factor is not merely an instrument in the organisation but the very core of organisational existence. Barnard has observed that an organisation is a conscious interaction of two or more persons. This suggests that since organisation is the interaction of persons they should be given adequate importance in managing the organisations. This becomes more important specially because of the changing dimensions of human behaviour changing from money motivated behaviour to multi motivated behavioural. Mc Gregor suggests that people are moving from Theory to assumptions Theory to assumptions. The changing behavioural pattern suggests that organisational structure and process should be based on these characteristics. From this point of view managers must understand the behavioural pattern of the people. Organisational behaviour provides an opportunity by analysing human behaviour for understanding and prescribing means for shaping human behaviour to a particular direction.

I. Understanding Human Behaviour

OB provides a way for understanding human behaviour in the organisation . For shaping human behaviour in definite direction for achieving certain predetermined objectives managers must know how the people in the organisation behave. OB provides for understanding human behaviour in all the directions in which human beings interact. Thus OB can be understood at the individual level interpersonal level, group level and intergroup level.

1. **Individual level** - The behaviour of human beings as a social man in the first issue in behavioural science. It provides for analysing why and how an individual behaves in a particular way. As will be seen later human behaviour is a complex phenomenon and is affected by a large number of factors- psychological , social , culture and other. OB integrates these factors to provide simplicity in understanding human behaviour.
2. **Interpersonal Level** - Human behaviour can be understood at the level of interpersonal interaction. Such interpersonal interaction is normally in paired relationship which represents man's most natural attempt at socialisation. When one focuses on the influences of one's peer and its effect in working relationship or examines the superior-subordinate relationship., it is obvious that the two-person relationship is inevitable in the organisation. OB provides means for understanding these interpersonal relationship in the organisation. Analysis of reciprocal relationship role analysis and transaction analysis are some of the common methods which provide such understanding
3. **Group Level** - Though people interpret anything at their individual level they are often modified by group pressures which thus becomes a force in shaping human behaviour. Thus individuals should be studied in group also. Research in group dynamics has contributed vitally to OB and shows how a group behaves in its norms, cohesion, goals procedures communication pattern, leadership and membership. These research results are furthering managerial knowledge of understanding group behaviour which is very important for organisational morale and productivity.

4. **Intergroup Level** - The organisation is made up of many groups that develop a complex of relationships to build its process and substance. Understanding the effect of group relationship may be in the form of co-operation or competition. The co-operative relationship help the organisation in achieving its objectives. OB provides means to understand and achieve co-operatives group relationship through interaction, rotation of members among groups avoidance of win –lose situation and focus on total group objectives.

II. **Controlling and Directing Behaviour**

After understanding the mechanism of human behaviour managers are required to control and direct the behaviour so that it conforms to standard required for achieving organisational objectives. Thus managers are required to control and direct the behaviour at all levels of individual interaction. For this purpose, OB helps managers in many areas, use of power and sanction , leadership , communication and building organisation climate conducive for better interaction.

1. **Use of power and Sanction** - Organisational behaviour can be controlled and directed by the use of power and sanction which are formally prescribed by the organisation . Power is referred to as capacity of an individual to take certain actions and may be utilised in many ways. The use of power is related with sanction in the organisation. However , mere use of power and sanction in the organisation is not enough for directing human behaviour. Moreover, these can be used in several ways and not all ways are equally effective. OB explains how various means of power and sanction can be utilised so that both organisational and individual objectives are achieved simultaneously.
2. **Leadership** - Another method of bringing human behaviour in tune with organisational requirement is leadership. Today, the difference between a successful and a failing organisation lies in the quality of leadership of its managerial personnel. OB brings new insights and understanding to the practice and theory of leadership . It identifies various leadership styles available to a manager and analyses which is more appropriate in a given situation. Thus managers can adopt styles keeping in view the various dimensions of organisations individuals and situations.

- 3 **Communication** - Communication is the building block of an organisation . It is communication through which people come in contact with others. People in the organisation particularly at higher level spend considerable time in communicating . To achieve organisational effectiveness, the communication must be effective The communication process and how it works in interpersonal dynamics has been evaluated by Organisational behaviour. The factors that affect communication have been analysed so as to make it more effective.
4. **Organisational Climate** - Organisational climate refers to the total organisational situations affecting human behaviour. Organisational behaviour suggests the approach to create organisational climate in totality rather than merely improving the physiological conditions or increasing employee satisfaction by changing isolated work process. Satisfactory working conditions, adequate compensation, and the necessary equipments for the job are viewed as only small part of the requirement for sound motivational climate. Of greater importance are the creation of an atmosphere of effective supervision , the opportunity for the realisation of personal goals , congenial relations with others at the work place and a sense of accomplishment. Thus OB has discovered a new approach of managing people in the organisation.

III. **Organisational Adaptation**

Organisations as dynamic entities are characterised by pervasive change. In this age of environmental variability, the real job of a manager is to provide continuity in organisations because the organisations have to adapt themselves to the environmental changes by making suitable internal arrangements. However, such organisation arrangements are mostly resisted by the internal people. Thus managers have to face dual problems, identifying need for change and then implementing the change without adversely affecting the need for satisfaction of organisational people. It is also the essence of managing change. Management of change is seen as a self-perpetrating ever-evolving phenomenon.

B. Check your progress

Fill in the blanks :

- (i) Behavioural science provides information about how an individual _____
- (ii) _____ helps the organization in achieving its objectives.
- (iii) Organisational adaptation means _____

24 APPLICATION OF OB KNOWLEGDE TO MANAGEMENT PRACTICES

The basic objectives of studying OB is to acquire knowledge about how people behave in the organisation and how this behaviour can be directed towards the achievement of organisational objectives. For this purpose various theories have been evolved. However, a common statement made by managers is “That is fine theory, but in practice, it does not work.” While this is true for the managers at the global level, Indian managers have specific reasons to be dissatisfied with the theories developed in industrially advanced countries and are followed in Indian context. These managers may be correct in saying so as the theories they have applied might not have worked. This state of affair is unfortunate since the real world is the ultimate laboratory for the social scientists. If bad theories are created that do not work, the gap between theory and practice is widened. Therefore, it is important to identify the reasons why theories do not work in practice.

Why Theories Fail?

It is true that many theories have failed to produce desired results in practice; attempts are on to evolve new theories. However, the reason for the failure of theories are more important to analyse rather than merely counting the occasions of their failures. If these reasons are understood managers can improve their skill in choosing and implementing theories. Some of the major reasons for failure of the theories are as follow :

- 1. Lack of Proper Understanding of Theory** - In many cases the individual trying a theory does not fully understand it. Lack of complete understanding can cause the individual to apply something other than the theory in question, or to apply the theory in an inappropriate situation, that is using managers commit mistakes in applying job enrichment concept. Instead of enriching the job to make it more motivating, they may overload it, or may enrich a job that is currently grossly underpaid in relation to market conditions.
- 2. No Consideration given for Systems Effects** - One of the most common experiences of managers who try new theories is that while they may solve

the original problem, occasionally new problems are created as a result of the action, and the managers end up thinking they were better off before. This happens because theoretical models tend to neglect the systems effects of introducing change into an organisation. For example a manager may enhance the status of a group to enhance its productivity. It may work positively for the group but may create problems for the other groups whose status gets reduced in relation to the target group.

3. **Lack of Specific Applicability of a Theory** – Generally theories are developed using scientific methods on relatively large number of observations. Consequently, theories developed tend to apply to individuals collectively but not to any specific person. A manager may attempt to apply a prescriptive statement from a general theory to a specific situation that does not fit in the general requirements of the theory. For example, the theory states that money is not a motivator in general terms. However, it may be a motivator for an individual because of his specific background.
4. **Lack of Universal Applicability** -A theory particularly in management and organisational behaviour which is affected by characteristics of human beings which may differ from place to place lacks universal applicability. Thus a theory developed in one situation may not be applicable in another situation because variables in two situations may be different. This aspect is important for Indian managers when they apply the theories developed abroad for managing Indian organisations.
5. **Wrong Theory** - Sometimes wrong theory may be created. This may happen because of several reasons: (i) the environmental conditions under which the theory was created have changed (ii) incorrect conclusions have been drawn from right data (iii) correct conclusions have been drawn from poor data and (iv) researchers have overlooked other significant influences that affect the result. In such situation the theory may not work at all.

Value of theory

If we analyse the reason for failure of theories we may find that reasons are

two fold (i) the application of theory is incorrect because of lack of proper understanding or (ii) the theory itself may be faulty and lacks applicability. Therefore the practitioners have to take into consideration the reasons for failure of the theory and should not ignore the reality by commenting it does not work in practice. Fortunately, lot of concepts and theories developed in the field of organisational behaviour do have applicability and their understanding is important for successful management practices. Organisational behaviour emphasises that human factor is not merely an instrument in the organisation but the very core of the organisational existence. From this point of view organisational behaviour provides opportunity for analysing human behaviour for understanding and prescribing means for shaping human behaviour for desired results. In particular, organisational behaviour contributes to understand human behaviour, to control and direct it, and to adapt the organisation to given situations.

Value of Experience

Theories are important for increasing managerial effectiveness provided these are utilised properly. Proper utilisation of a theory requires that the practitioner has both knowledge of the theory as well as facts of the situation in which the theory is to be applied. Knowledge of situation comes from experience. As mentioned earlier organisational behaviour is both science and art, therefore, combination of both makes the organisational process effective. Its science aspects suggest that theoretical knowledge is necessary, its art aspect suggests that perfection can be achieved through practice. Therefore theory and practice is not an 'either or' situation, it is a blend of both.

Experience contributes to better way of doing the things because the practitioner may weed out the undesirable practices over the period of time and may retain the desirable practices. However this process may take lot of time on the part of practitioner to make distinction between what is desirable or undesirable. If he has knowledge of relevant theories he can do so in much lesser time. Therefore, the knowledge of the theories makes the experiences meaningful. When the experience is unscientific we must be cautious of its meaning and value. It is very old saying that ten year's experience may only be one year's experience ten times if the experience is not proper.

Experience is a valuable asset if used wisely. Experience allows the comprehension of the theoretical concepts much more easily. Experienced managers are certainly more adapt in the application of knowledge but the magnitude of adaptness will depend upon their ability to learn from their experience. In doing so, a practitioner is just like an academician. Each performs experiments and draws conclusion from their experiments. The major differences lies in the methods and techniques to evaluate the experience . The academician prefers to call the experience as experiment or research and tries to make generalisations based on several such experiments. Thus in the final analysis , theory and experience are complementary to each other. Just as all experiences with no theoretical background is undersiable the egghead approach to organisational behaviour that is only theory and no practical experience is equally inappropriate.

2.5 LET US SUM UP

O.B is emerging as a field of study of human behaviour in organisations . It is evolved as a separate field of study and is highlybeneficial to different orgaganisations in managing their tasks.

2.6 GLOSSARY

- Aanthropology- science of man
- Sociology- study of social behaviour
- Psychology- science of behaviour

2.7 SELF ASSESSMENT QUESTIONS

1. How organisational behaviour and sociology are related to each other?

2. Discuss the relation between organisational behaviour and behavioural science

2.8 LESSON END EXERCISE

1. Name the different disciplines contributing towards organisational behaviour

Answers to Check your Progress

- A. (i) b
(ii) a
B (i) how on individual behaves in different situations
(ii) strategic management and HRM
(iii) practice of changing organizations structure, practices and strategies
in response to internal and external challenges

2.9 SUGGESTED READINGS

1. P. Subba Rao, Organisational behaviour, Himalaya Publishing House, Indore, M.P., 12th March 2017
2. Stephen P. Robbins, Timothy A. Judge, Neharika Vohra, Organisational behaviour, Pearson, India Education Services Pvt. Ltd., 2018.
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Unit I

Lesson No. 3

FOUNDATIONS OF OB

STRUCTURE :

- 3.0 Learning Objectives and learning outcomes
- 3.1 Learning Objectives and learning outcomes
- 3.2 Foundations of OB
 - 3.3.1 Classical Approach
 - 3.3.2 Neo classical Approach
 - 3.2.2.1 Hawthorne Experiments
 - 3.2.2.2 Social System Approach
 - 3.2.2.3 Human Behaviour Approach
 - 3.2.3 Modern Approach
- 3.3 Models of Man
- 3.4 Let us sum up
- 3.5 Glossary
- 3.6 Self Assessment Questions
- 3.7 Lesson End Exercise
- 3.8 Suggested Readings

3.0 LEARNING OBJECTIVES

- (i) To acquaint learners about various approaches of OB
- (ii) To explain neo classical approaches of OB
- (iii) To describe modern approaches of OB

LEARNING OUTCOMES

After going through this lesson you will be able to :

- (i) explain classical approaches OB
- (ii) know about neo-classical approaches of OB
- (iii) acquaint about concept of OB

3.1 INTRODUCTION

OB is generated from knowledge through a systematic approach. Various management practitioners have tried to find answers to various problems involved in the complexity of human behaviour. However such attempts have mostly been made in the area of planning, organising, controlling human behaviour and have led to the development of various structural approaches of organisation. These approaches are discussed in the lesson ahead.

3.2 FOUNDATION OF OB

Organisational behaviour is based on the knowledge generated through systematic researches over a period of time. Prior to systematic researches, various management practitioners have also tried to find out answers of the problems involved in the complexity of human behaviour in Organisations. However, such attempts have been mostly in the area of Organisational planning, designing of Organisation structure, and controlling of human behaviour in Organisations. With the result, these attempts have led to the development of structural approaches of Organisations and have missed the significant aspects of analyzing human behaviour in Organisations. Such approaches have been in the form of scientific management, administrative management, and bureaucracy. Combination of these is termed as classical approach in management literature. The real beginning of researches in the area of human behaviour in

Organisations was made by Hawthorne experiments whose findings were termed as human relations approach. This approach was followed by the development of social systems approach and behavioural science or human behaviour approach. All these approaches fall in the category of neoclassical approach. Thereafter, behavioural scientists along with game theorists started to find out the answers of those issues which were either not studied at all or not studied in a satisfactory way in earlier approaches. With the result, systems approach and contingency approach have emerged. These approaches cover various Organisational phenomena including Organisational behaviour. Taken together, these approaches are termed as modern approach. Thus, there are three basic approaches of Organisational behaviour: -

- a). Classical Approach.
- b). Neoclassical Approach.
- c). Modern Approach.

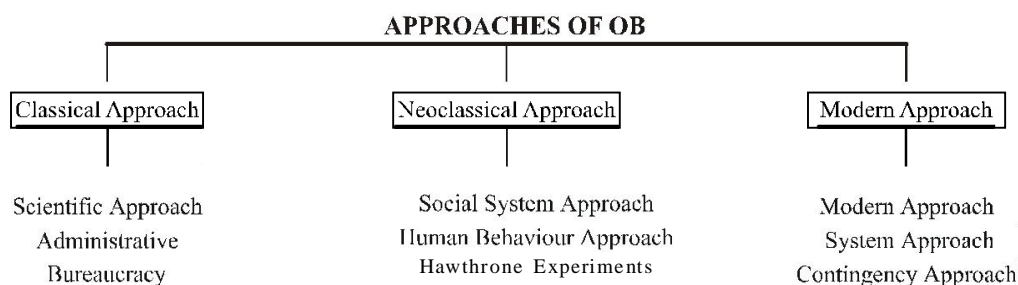


Fig. 3.1

3.2.1 CLASSICAL APPROACH

The term classical means something traditionally accepted or long established. While three approaches of classical approach of Organisational behaviour-scientific management, administrative management, and bureaucracy-have given different ways of managing human behaviour in Organisations, these can be integrated into a single approach. Thus, classical approach of Organisational behaviour has the following implications:

1. **Interrelated Management Functions.** What managers do in an Organisation can be explained by management functions-planning, Organising, staffing, directing, and controlling with coordination being the essence of management. All these functions are interrelated. Further these functions may be iterative, that is, a particular function may involve in other functions, planning in Organising, staffing, and so on.
2. **Guiding Principles.** Classical approach has given some management principles which provide guidelines for managerial actions, including managing human behaviour in Organisations. These principles are prescriptive in nature, that is, what to do, and are supposed to be universally applicable.
3. **Rigid Organisation Structure.** Classical writers have prescribed rigid Organisation structure to get the things done and to control human behaviour. Such a structure tends to be tall with large number of hierarchical levels to ensure that each lower-level position is closely controlled by the immediate higher level.
4. **Financial Incentives for Motivation.** For motivating people in Organisations, classical approach suggests financial incentives implying that more money means higher motivation for performance. In some cases, provisions have been made to pay much lower to non- performers.

3.2.2 NEO CLASSICAL APPROACH

The propositions of classical approach consisting of Organisational behaviour of human relations, social system, and human behaviour approaches are quite contrasting to those of classical approach in many ways. This is due to the fact that while classical approach has emphasized physiological aspects in managing human behaviour in Organisations, neoclassical approach has emphasized socio-psychological aspects. The main propositions of neo-classical approach are as follows:

1. The Organisation in general is a social system.
2. The social environments on the job affect people and are also affected by them and not management alone.

3. In the formal Organisation, informal Organisation also exists and it affects and is affected by formal Organisation.
4. A conflict between Organisational and individual goals often exists which increases the importance of integration between these two.
5. Man is interdependent and his behaviour can be predicted in terms of social and psychological factors.
6. Man is diversely motivated and wants to fulfil different types of needs.
7. Man's approach is not always rational. Often, he behaves irrationally in terms of rewards which he seeks from the work
8. Communication is necessary as it carries information to the functioning of the Organisation and the feelings and sentiments of the people who work in it.
9. Teamwork is essential for cooperation and sound organizational functioning. This work is not automatic but achieved through behavioural approach.

A. Check your progress

Fill in the blanks

- (i) One of the traditionally accepted approach is called _____
- (ii) _____, _____, _____, _____ and controlling are the management functions.

Now, let us discuss three approaches of neoclassical approach.

3.2.2.1 Hawthorne Experiments

Human relations approach of Organisational behaviour was developed out of the reaction to classical approach with Hawthorne experiments conducted during 1924-32 at the Hawthorne plant of General Electric Company, USA. The experiments were carried in four phases which were as follows;

1. Experiments to determine the effects of changes in illumination on productivity, illumination experiments, 1924-27;
2. Experiments to determine the effects of changes in hours and other working conditions on productivity, relay assembly test room experiments, 1927-28;
3. Conducting plant-wide interviews to determine worker attitudes and sentiments, mass interviewing programme, 1928-30; and
4. determination and analysis of social Organisation at work, bank wiring observation room experiments, 1931-32.

Implications of Hawthorne Experiments

Hawthorne experiments have opened a new chapter in management by suggesting management through good human relations. Human relation involves motivating people in Organisation in order to develop teamwork which effectively fulfills their needs and achieves Organisational goals. Hawthorne experiments have tried to unearth those factors which are important for motivating people at workplace. The major findings of the experiments are presented below;

1. **Social Factors in Output-** An Organisation is basically influenced by social factors. In fact, Elton Mayo, one of the researcher engaged in Hawthorne experiments, has described an Organisation as "a social system, a system of cliques, informal status system, rituals, and a mixture of logical, non-logical behaviour." Thus, an Organisation is not merely a formal structure of functions in which production is determined by the official prescription but the production norm is set by social norms. Since people are social beings, their social characteristics determine the output and efficiency in the Organisation. Economic rewards and productivity do not necessarily go together. Many non-economic rewards and sanctions affect the behaviour of workers and modify the impact of economic rewards while motivating workers, these factors should be taken into account.
- 2 **Group Influence-** Workers being social beings they create groups which may be different from their official group. In fact, groups are formed to overcome the short comings of formal relationships. The group determines the norms of behaviour of members. If a person resists a particular norm of group behaviour, he tries to change the group norm because any deviation from the group norm will make him unacceptable to the group. Thus, management cannot deal with workers as individuals but as members of work group subject to the influence of the group.
3. **Conflict-** The informal relations of workers create groups and there may be conflict between Organisation and groups so created. The conflict may be because of incompatible objectives of the two. However, groups may help to

achieve Organisational objectives by overcoming the restraining aspect of the formal relations which produce hindrance in productivity. Conflict may also arise because of maladjustment of workers and Organisation. As the individual moves through the time and space within the Organisation, there constantly arises the need for adjustment of the individual to the total structure. In the absence of such adjustment, either individual progresses upward at a rapid pace or the Organisation structure itself may change over the time while the individual remains standstill. In either event, the change takes place in the position of the individual with respect to Organisation structure, hence adjustment is required.

- 4 **Leadership-** Leadership is important for directing group behaviour, and this is one of the most important aspects of managerial functions. However, leadership cannot come only from a formally appointed superior as held by earlier thinkers. There may be informal leader as shown by bank wiring experiments. In some areas, informal leader is more important in directing group behaviour because of his identity with group objective. However, a superior is acceptable as a leader if his style is in accordance with human relations approach that is the superior should identify himself with the workers.
5. **Supervision-** Supervisory climate is an important aspect in determining efficiency and output. Friendly to the workers, attentive, genuinely concerned supervision affects the productivity favourably. For example, in the bank wiring room experiments, an entirely different supervisory climate encouraged friendly environment for the workers and less use of authority in issuing orders existed which helped in productivity, while in regular departments, supervisors were concerned with maintaining order and control which produced inhibiting atmosphere and resulted in lower productivity.
6. **Communication-** The experiments show that communication is an important aspect of Organisation. Through communication, workers can be explained the rationality of a particular action, participation of workers can be sought in decision making concerning the matter of their importance, problems faced by them can be identified, and attempts can be made to remove these. A

better understanding between management and workers can be developed by identifying their attitudes, opinions, and methods of working and taking suitable actions on these.

Evaluation of Hawthorne Experiments

Though Hawthorne experiments have opened a new chapter in management by emphasizing the importance of social factors in output, it is not without fault. The experiments have been widely criticized by some behavioural scientists because of lack of scientific objectivity used in arriving at various conclusions. Some critics feel that there was bias and preconception on the part of the Harvard researchers. One writer developed a detailed comparison between the conclusions drawn by the researchers and the evidence presented, and found that their conclusions were almost entirely unsupported. He asked the question, "how was it possible for studies so nearly devoid of scientific merit, and conclusions so little supported by evidence, to gain so influential and a respected place within scientific disciplines and to hold this place for so long." The following other criticisms have also been made against the Hawthorne experiments:

1. The Hawthorne researchers did not give sufficient attention to the attitudes that people bring with them to the workplace. They did not recognize such forces as class consciousness, the role of unions, and other extra-plant forces on attitudes of workers.
2. The Hawthorne plant was a typical plant because it was a thoroughly unpleasant place to work. Therefore, the results could not be valid for others.
3. The Hawthorne studies look upon the worker as a means to an end, and not an end himself. They assume acceptance of management's goals and look on the worker as someone to be manipulated by management.

In spite of these shortcomings, Hawthorne experiments will be known for discovering the importance of human factor in managing an Organisation. The experiments have stimulated many researchers to study the human problems in management.

3.2.2.2 Social Systems Approach

Social systems approach of management has extended the implications of human relations approach further. This approach was introduced by Vilfredo Pareto, a sociologist. His ideas were later developed by Chester Barnard who synthesized the concept of social systems approach. According to this approach, an Organisation is essentially a cultural system composed of people who work in cooperation. As such, for achieving Organisational goals, a cooperative system can be developed by understanding the behaviour of people in groups. The major features of this approach are as follows:

1. Organisation is a social system, a system of cultural relationships.
2. Relationships exist among the external as well as internal environments of the Organisation.
3. Cooperation among group members is necessary for the achievement of Organisational objectives.
4. For effective management, efforts should be made for establishing harmony between the goals of the Organisation and the various groups therein.

3.2.2.3 Human Behaviour Approach

Human behaviour approach is the outcome of the thoughts developed by behavioural scientists who have looked at the Organisation as a collectivity of people for certain specified objectives. Since management involves getting things done by people, the study of management must revolve around human behaviour. This approach also known as 'leadership', behavioural science or human resource approach, brings to bear the existing and newly-developed theories and methods of the relevant behavioural sciences upon the study of human behaviour. In contrast to human relations approach which assumes that happy workers are productive workers, human behaviour approach has been goal and efficiency oriented and considers the understanding of human behaviour to be the major means to that end. The major differences between human relations and human behaviour approaches have been presented in Table 4.1.

The human behaviour approach emphasizes human resources in an Organisation more as compared to physical and financial resources. Since this approach studies human behaviour ranging from personality dynamics of individuals at one extreme to the relations of culture at the other, this can be divided into two groups: interpersonal behaviour approach and group behaviour approach. Writers on interpersonal behaviour approach are heavily oriented towards individual psychology while writers on group behaviour approach rely on social psychology and emphasize Organisational behaviour.

Major conclusions of the contributions made by behaviouralists can be presented as follows:

1. People do not dislike work. If they have been helped to establish objectives, they will want to achieve them. In fact, job itself is a source of motivation and satisfaction to employees.
2. Most people can exercise a great deal of self-direction, self-control, and creativity than are required in their current job. Therefore, there remains untapped potential among them.
3. The manager's basic job is to use the untapped human potential in the service of the Organisation.
4. The manager should create a healthy environment wherein all subordinates can contribute to the best of their capacity. The environment should provide a healthy, safe comfortable and convenient place to work.
5. The manager should provide for self-direction by subordinates and they must be encouraged to participate fully in all important matters.
6. Operational efficiency can be improved by expanding influence, self-direction, and self-control.
7. Work satisfaction may improve as a 'by-product' of subordinates making full use of their potential.

3.2.3 MODERN APPROACH

Modern approach of Organisational behaviour combines systems and

Contingency approach together. It takes valuable concepts of classical and neoclassical approaches and integrates these with other relevant concepts to Organisational behaviour. Therefore, the emphasis of the modern approach is more in integration than prescription. From this point of view, modern approach differs fundamentally from other approaches. The main propositions of modern approach are as follows:

Modern approach takes an Organisation as a system. It implies that the Organisation continuously interacts with its environment. Thus, an Organisation has different elements to conduct its operations-input, processing, output, and feedback. Therefore, managers should take environment into account for resolving behavioural issues in the Organisation.

Behavioural processes should be treated as dynamic, and not static because those factors that affect behavioural processes in an Organisation are dynamic. Some factors may change slowly; some factors may change fast.

Modern approach suggests that there is nothing like one best way of resolving a particular behavioural issue but the way depends on the situation. Therefore, contingent factors affecting the behavioural issues should be identified. It implies that a particular way of resolving a specific behavioural issue which is effective in one Organisation may not be equally effective in another Organisation.

If we take the above propositions of modern approach of Organisational behaviour, we find that it is more complex than other two approaches but it depicts the reality.

B. Check your progress

Fill in the blanks :

- (i) Relationships exist among external as well as _____ of the organization.
- (ii) For effective management efforts should be made for establishing harmony between the _____ and _____

3.3 MODELS OF MAN

Individual differences, as discussed earlier, cause difference in behaviour. In dealing with human beings, either understanding or influencing their behaviour, management makes some assumptions about them consciously or unconsciously. Managerial effectiveness in dealing with people will depend on the degree to which the assumptions fit the actual situations. Historically the assumptions about people in the Organisations have largely reflected philosophical positions on the nature of man and have served as the just effective for the particular Organisation. Whole of managerial actions have depended on assumptions over the period of time. However such assumptions have

shown great variations and unanimity has eluded These have given many models of man in terms of basic nature human behaviour and consequently different managerial strategies in dealing with him. There are four well- established models of man rational-economic man social man self-actualising man and complex man These models are roughly in order of their historical appearance. If this may be added one more identified by Whyte, that is, Organisation man. This model can be fitted very well in between social man and self-actualising man. A brief description of these models is presented below;

- **Rational-Economic Man**

Rational-economic man model is the oldest one. It is based on the doctrine of maximizing of self-interest by man. There are two elements in this maximization. First, man is able to calculate the cost of his efforts for getting any inducement. Similarly, he can also calculate the value of the inducement which he receives from his efforts. Second, he is able to know all the alternatives - available as well as he is able to evaluate all the alternatives. Thus, he maximizes his need satisfaction in terms of marginal efforts being equal to marginal inducement of work. The following assumptions can be made about rational-economic man in respect of his behaviour:

1. Man is primarily motivated by economic incentives and he is willing to do things which maximize his economic returns. .
- 2 The feeling of the man are essentially irrational and must be controlled in order to achieve rationality and self-Interest.
- 3 In the context of Organisation-individual relationship the Organisation controls the economic incentives and man remains mostly passive
4. Since man's feelings will interfere his rationality, the Organisation can be designed in. such a way that it controls feelings and consequently avoids unpredictability in his behaviour.

The rational-economic model though comes primarily from economists psychologist and have studied this model for predicting human behaviour. For example, McGregor's assumptions of Theory X reflect this model wherein he has suggested

that managers may have certain assumptions about human behaviour and design their activities accordingly to human beings.

The kinds of assumptions a manager makes about people will greatly determine the actions he takes in motivating and controlling people. In simple rational-economic model people can be induced to produce more by providing economic incentives. This works very simply that is people are engaged by the Organisation for productive purpose. It will continue to give them incentives till it is receiving matching contributions from them. Beyond that, the Organisation is not responsible. For example, the piece-rate system is based directly on this assumption. The people will produce more to get more money. By more production, both Organisation and people are happy and this can go on regular basis. In this case, there is no conflict between people and Organisation because both are satisfying their needs simultaneously through the in-built mechanism of the Organisation-people relationship.

This model is based on classical Organisation theory. The classical models of designing Organisation structures and processes have various shortcomings and do not suit the present day Organisations. The economic incentives can work till man is not reasonably satisfied by the need of money. Though money is such a factor that its need can never be satisfied because it may purchase many things through which people may satisfy their other needs; within Organisational context, the role of money is to maintain the people in the Organisation and beyond that it is not able to provide incentives to people as will be seen later. Therefore whole assumptions of rational-economic model of man are not sufficient for understanding and predicting his behaviour.

- **Social Man**

Social man concept is based on the doctrine that man being part of the society is influenced by social forces and seeks satisfaction of those needs which are in tune with maintaining his social relationship. This is the basic crux of human relations approach in management. The following assumptions are made about social man:

1. Man is basically motivated by his social needs and all his efforts are directed to get this satisfaction by maintaining relationship with others.
2. Man is more responsive to group pressure and sanction rather than the control and pressure put by management in the Organisation because he values social

relationship higher than his economic motives which are directly controlled by management.

3. He will obey and comply management's orders so long as these are in conformity with satisfaction of his social needs.
4. As a result of industrialization, specialization, and rationalization, the work has become meaningless which develops more alienation, frustration, and conflict. Therefore, management should change and Organise work in such a way that it provides more belongingness not only in terms of interpersonal and group relationship, but man's relationship with his job. Social man concept is the invention of many researches which behavioural scientists have carried out from time to time beginning from famous Hawthorne experiments.

The type of managerial strategy that can be applied in the case of social man is quite different as compared to rational-economic man. This has many implications for management. For the manager should not concentrate only on the output achieved by the people but he should also focus his attention on people themselves. Thus a drastic change in various styles is required. Second, instead of being concerned with motivating and controlling people with economic incentives, the manager should be concerned with people's feelings about their belongingness. This requires a change in the Organisation structure based on specialization and division of labour to a more democratic and free Organisation structure. Third, since groups are basis of Organisation and individual Interaction, man's behaviour should be analysed and motivated in terms of and not on individual basis. Fourth, instead of being creator of work and controller the manager should act as facilitator and sympathetic supporter. Thus, whole system is directed towards people.

- **Organisation Man**

Organisation man is an extension of social man. William Whyte, who has given the concept of Organisation man, believes that the value of loyalty to the Organisation and cooperation with fellow workers is important for man. A man who believes and acts in this way is, according to him, an Organisation man. This concept is based on the idea of sacrificing individuality for the sake of the group and the Organisation. Though this idea was earlier suggested by Henry Fayol when he suggested the

(55)

subordination of individual interest to the general interest, he did not emphasize the concept of social ethic in behaviour. Whyte suggests that social ethic guides Organisation man which is based on three major propositions:

- 1 The group is the source of creativity. The individual by himself is isolated and meaningless; only when he collaborates with others does he create. Individual helps to produce a whole that is greater than the sum of its parts.
2. Belongingness is the ultimate need of the individual. There should not be conflicts between man and society because what is normally considered conflict is merely misunderstanding and breakdown in communication.
3. The science achieves the goal of belongingness. By applying the methods of science, the obstacles to consensus can be eliminated and an equilibrium can be created where society's needs and the needs of the individual are one and the same.

Organisation man emphasizes that there is no conflict between Organisation and individual. Even if there is any, it can be overcome by sacrificing the individual interest in favour of Organisational interest. However, assumption behind this proposition is that the Organisation will take care of individual interest. Its implication is that management will design its various actions which will satisfy the people. People will not see their interest differently as the Organisation is there to take care of their interest.

- **Self-actualising Man**

Self-actualising man concept is a further extension of social man and Organisation man models. The assumption of social man concept about the nature of work that has become meaningless because of high degree of division of labour and specialization is true. But the self-actualising man concept differs in suggesting the way through which man overcomes the limitations of work. As against the formation of social groups as the basis for satisfaction, self-actualising man assumes that man's inherent need is to use his capabilities and skills in such a way that he should feel to develop a sense of creating certain things. Thus, there is a conflict between self-actualising man and formal Organisation because it does not allow him to satisfy his self actualising needs. The managers normally take the following assumptions about self-actualising man:

1. The various needs of man can be put in hierarchy. For example, Maslow has put various needs in a hierarchy-physiological, safety, belongingness, esteem, and self-actualization. Any unsatisfied need is a motivating factor for man. Since he attempts to satisfy his needs according to this hierarchy, he takes self-actualization as his ultimate goal as most of his needs are satisfied reasonably in that order. Thus, he tries to make a sense and meaning in his work.
2. Man moves from immaturity to maturity in self-actualising himself. In this process, there will be various changes in his behaviour,
3. Man is primarily self-motivated and self-controlled. Therefore, any incentive and control imposed externally will threaten him and result in less mature adjustment.
4. There is often conflict between formal Organisation designed on traditional thinking and self-actualising man because the Organisation is based on the assumptions of immature personality. However If the man is left free he will try to put his maximum efforts.

These assumptions are mostly based on McGregor's Theory Y and Argyris's Immaturity- maturity theory, though McGregor's Theory Y goes beyond these assumptions. The type of managerial actions that will be required for satisfying self-actualising man will be those suitable for social man with some additional features. For example, groups may be only one source of satisfaction of self-actualising man. People In the Organisation will require more autonomy, incentives based on intrinsic factors, and participation throughout the Organisational processes. These features create a normal involvement on the part of people to release a greater potential for commitment to Organisational goals and creative efforts

- **Complex Man**

The various models of man, discussed above, are simplistic, assumptions of people and behaviour. They assume that man will behave according to certain set pattern. If the condition for behaviour is given, the behaviour of man can be understood and predicted depending upon the assumptions made. However, researches have

demonstrated that it is not so. First, there are many complex variables which determine human behaviour. These variables themselves are unpredictable. Second, even if cause-effect relationship is established between variables and behaviour it is not necessary that everyone will behave accordingly because of individual differences, as discussed early. Thus, human being is quite complex and assumption about predictability of human behaviour specified in the beginning of this lesson that it is not possible to predict human behaviour completely and accurately holds good. The following assumptions can be made about complex man:

1. Man is motivated by complex variables. No doubt, his needs can be arranged in certain hierarchy but this hierarchy cannot be universal. There can be many overlapping needs and the degree to which man will seek satisfaction to various needs. Thus, It is not necessary that man will try for self-actualization.
2. Man is capable of learning many motives out of interaction with the Organisation. Thus, his total need pattern will be determined by his initial, needs as well as needs developed by Organisational contacts.
3. There are variations among people in the same Organisation. Such variations may be in terms of their need pattern, their behaviour, and consequently the need for control and direction.
4. The understanding of human needs may not be the final step in understanding human behaviour because of the absence of a direct cause-effect relationship between need and behaviour. For example, a person may behave differently as compared to another person having same set of needs
5. Man can behave diversely if we take into account his need pattern, lack of direct cause-effect relationship between need and behaviour, and individual differences. Thus, man can respond to various managerial actions but the way of response is not uniform. This will depend upon his motives and abilities, nature of task, and nature of incentives-financial and non-financial.

Complex man presents the real picture of human behaviour. This has replaced the simplistic model of man. The manager can take clue for managerial actions in two ways: First, he must realize that there is no action which can be utilized successfully in all the situations. This is the basic theme of contingency approach which is fast developing in Organisational analysis. Second he should differentiate people on the basis of various factors and must adopt actions which may affect different people. It means he cannot simply design a system and assume that it will work. Rather he must review it in terms of its effectiveness by taking feedback from various sources. This will enable him to find out whether he is pro-correctly or otherwise. A suitable action then can be taken before the situation goes out of control.

Most behaviours in the Organisation can be understood by taking assumptions of complex man. Though this model is quite complex, it indicates the real situation and emphasizes that human is not as simple as is assumed.

Answers to Check your Progress

- A. (i) Classical approach
- (ii) Planning, organising, directing, staffing
- B. (i) internal
- (ii) goals of the organisation and various groups therein.

3.4 LET US SUM UP

Now at the end of this lesson you must have a clear understanding of how different approaches came into existence. The importance and criticism of different approaches have also been discussed in this lesson in detail.

3.5 GLOSSARY

- **Hawthorne Experiments**- beginning of human relation approach
- **Social Men** - Man motivated by Social organisation or Men- A and acts according to cooperation of fellow workers in an organisation.

3.6 SELFASSESSMENT QUESTIONS

1. Discuss the Hawthorne experiment in detail

3.7 LESSON END EXERCISE

1. Discuss the modern management approach of OB.

2. Elaborate the human relation approach in detail.

3.8 SUGGESTED READINGS

1. P. Subba Rao, Organisational behaviour, Himalaya Publishing House, Indore, M.P., 12th March 2017
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M.Com 1st Sem
Unit I

Course No M.Com-C 152
Lesson No. 4

FOUNDATIONS OF INDIVIDUAL BEHAVIOUR

STRUCTURE :

- 4.0 Learning, Objectives & Learning outcomes
- 4.1 Introduction
- 4.2 Foundations of Individual Behaviour
- 4.3 Organisational Systems and Resources
- 4.4 Let us sum up
- 4.5 Glossary
- 4.6 Self Assessment Questions
- 4.7 Lesson End Exercise
- 4.8 Suggested Readings

4.0 LEARNING OBJECTIVES

- (i) To throw light on the foundations of Individual behaviour.
- (ii) To familiarize learners about the organisational systems and resources.

LEARNING OUTCOMES

After going through this lesson you will be able to explain :

- (i) Foundation of Individual behaviour
- (ii) Organisational systems and resources

4.1 INTRODUCTION

In this lesson 4 of Unit I you will be learning about managing individual behaviour.

The nature, factors causing individual behaviour and affecting implications of individual behaviour will also be discussed in this lesson.

4.2 FOUNDATIONS OF INDIVIDUAL BEHAVIOUR

1. PERSONAL FACTORS

Personal factors, as shown in Fig. 4.1, include age, sex, education, abilities, marital status, creativity, emotional intelligence and number of dependents.

- **Age:** The issue of age is multifaceted and individualistic. It has impact on performance, turnover, absenteeism, productivity, and satisfaction. Performance is dependent on age. As age advances, performance is likely to decline. Similarly, aging also has an impact on turnover. The older one grows, the less likely one is to quit the job. Age-absence relationship depends on whether absenteeism is avoidable or unavoidable. Generally, older employees have lower rates of avoidable absence than do younger employees. However, they do have high rates of unavoidable absence. This is probably because of poor health associated with old age. With regard to productivity, old age results in reduced productivity. This is because of the decline in an individual's skill as he or she grows older in age. There is a positive association between age and satisfaction. However, changes in technology may alter this equation. In jobs where workers are subject to dramatic changes causing their skills to become obsolete, such as those affected by computerisation, satisfaction levels of older employees tend to be lower than that of younger ones.

FOUNDATIONS OF INDIVIDUAL BEHAVIOUR

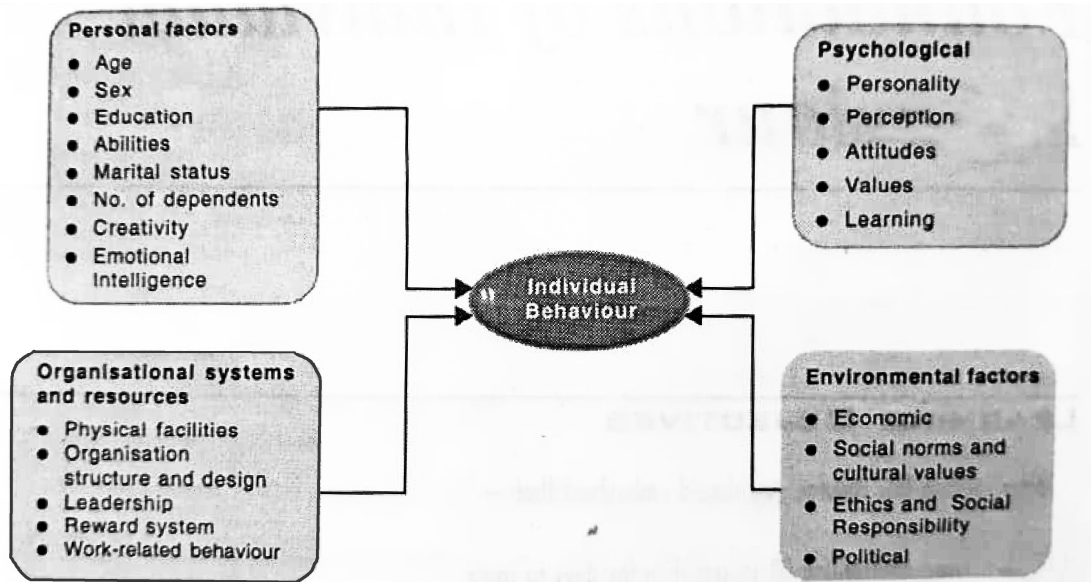


Figure : 4.1 Foundations of Individual Behaviour

Age can also be a factor in adaptability, although it would be incorrect to stereotype all older people as unadoptable.

The impact of age goes beyond organisational factors. Gender for example, like age, forms the basis for social differentiation. The status of ‘older persons’ in society frequently influences our perception. Societies often get stratified by age and this stratification varies from culture-to-culture. One society may treat older people with great reverence, while another sees them as ‘unproductive’ and ‘difficult’. The Sherpa; — a Tibetan-speaking, Buddhist people in Nepal — idolise their elders. Almost all elderly members of the Sherpa community own houses and enjoy good health. Similarly, in the Andaman Islands, old people hold dominant position: in the social structure.

Not all societies, however, have a tradition of caring for and valuing the elderly. Among the Fulanis of Africa, older men and women move to the edge of the family homestead. Since this is where people are buried, the elderly actually sleep on their graves, for they are already considered as

dead. Some societies are known to have practised senilicide - the killing of the aged - because of extreme difficulties in providing basic necessities such as food and shelter.'

- **Sex:** The issue of male and female employees has received considerable attention from academics, sociologists, and researchers. Research has proved that problem-solving ability, analytical skill, competitive drive, motivation, leadership, sociability, or learning ability are not gender-dependent. However, in our male-dominated society, the presence of women employees in organisation is not appreciated or encouraged.

Sex also has an impact on turnover and absenteeism. It has been proved that the tendency to change jobs and to abstain from work is likely to be higher among female than among male employees. The most logical explanation for this phenomenon is that our society has historically placed home and family responsibilities on the female. When a child is ill or someone needs to stay home to await the plumber, it has traditionally been the woman who has taken time off from work to attend to these needs.

- **Education:** This has its effect upon individual behaviour, largely through the level and type of education received. Increased levels of education serve to increase an individual's expectations about positive outcomes. These outcomes are generally perceived to be a more satisfying job, higher income level, and greater alternative sources for occupational choice, i.e., the 'good life'. Disillusionment occurs when outcomes do not match expectations.

The type of education received can also affect individual behaviour. Education can be 'general' or 'specialised'. The former includes areas like arts, humanities, and social sciences; whereas the latter covers disciplines such as engineering, medicine, computer science, and the like. Generalist education tends to both attract and develop individuals differently than an education in the specialities. Specialist programmes tend to be relatively narrow and focused, whereas generalist programmes expose individuals to a broad range of subjects designed to enhance an overall understanding of concepts and issues.

- **Ability:** It refers to an individual's capacity to perform various tasks in a job. The ability of an individual is made up of two sets of skills — intellectual and physical.

Intellectual abilities are needed to perform mental activities. IQ tests, for example, are designed to ascertain one's intellectual abilities. So, too, are popular college admission tests like GRE, GMAT, and CAT. Some of the more relevant dimensions making up intellectual abilities include number aptitude, verbal comprehension, perceptual speed, and inductive reasoning.

Dimensions of Intellectual Ability

Dimensions	Descriptions	Job Example
Number aptitude	Ability to do speedy and accurate arithmetic	Accountant: computing the sales tax on a set of items
Verbal Comprehension	Ability to understand what is read or heard	Plant manager: following corporate policies on hiring
Perceptual speed	Ability to identify visual similarities and differences quickly and accurately	Fire investigator: identifying clues to support a charge of arson
Inductive reasoning	Ability to identify a logical sequence in a problem and then solve the problem	Market researcher: forecasting demand for a product in the next time period
Deductive reasoning	Ability to use logic and assess the implications of an argument	Supervisor: choosing between two different suggestions
Spatial Visualization	Ability to imagine how an object would look if its position in space were changed	Interior decorator: redecorating an office
Memory	Ability to retain and recall past experience	Salesperson: remembering the names of customers

Figure 4.2

Physical abilities manifest in one's stamina, manual dexterity, leg strength and the like. Management must identify an employee's physical abilities if these are the major inputs required to perform a task.

Nine basic physical abilities have been identified. Individuals differ in the extent to which they have each of these abilities. Not surprisingly, there is also little relationship between them. A high score on one is no assurance of a high score on the others. High employee performance is likely to be achieved when management has ascertained the extent to which a job requires each of these nine abilities and then ensures that employee: in that job have them.

- **Ability-job fit:** It is widely known that employees differ in their physical and intellectual abilities and the jobs they perform demand varied abilities. Employee performance is enhanced where there is high ability-job fit.

A perfect ability-job fit is seldom achieved. For one thing, hiring procedures are often imperfect. Managers direct their attention at only the employee's abilities or only the ability requirements of the job and ignore the fact that employee performance depends on a fit between the two. Moreover, people and organisations change. An employee who finds a new job stimulating and exciting to begin with, may find the same job boring and monotonous a few years later. An organisation that adopts new technology needs new skills from its employees. Finally, each person is unique. Measuring skills and performance is quite difficult. Assessing attitudes and personality is far more complex. Each of these makes matching abilities with jobs a difficult and complex process.

Nine Basic Physical Abilities

Strength Factors	
1. Dynamic strength	Ability to exert muscular force repeatedly or continuously over time
2. Trunk strength	Ability to exert muscular strength using the trunk (particularly abdominal) muscles
3. Static strength	Ability to exert force against external objects
4. Explosive strength	Ability to expend a maximum of energy in one or a series of explosive acts
Flexibility Factors	
5. Extent flexibility	Ability to move the trunk and back muscles as far as possible
6. Dynamic flexibility	Ability to make rapid, repeated flexing movements
Other Factors	
7. Body coordination	Ability to coordinate the simultaneous actions of different parts of the body
8. Balance	Ability to maintain equilibrium despite forces pulling off balance
9. Stamina	Ability to continue maximum effort requiring prolonged effort over time

Table 4.1: Nine Basic Physical Abilities

If the employees are short of the required abilities, they are likely to fail. Performance suffers, even if the employee is highly motivated and has a positive attitude. If the employee's abilities far exceed the job requirements, the consequence will be different. Job performance is likely to be adequate, but there will be organisational inefficiencies and possible decline in job satisfaction.

- **Marital status:** This has an influence on absenteeism, turnover, and satisfaction. Married employees have fewer absences, undergo less turnover, and are more satisfied with their jobs than the unmarried ones. Marriage imposes additional responsibility, hence the need for a steady job and steady income.
- **Number of dependants:** There is correlation between the number of dependants an employee has and his or her absences and satisfaction. The number of children an employee has is positively related to absence, especially among females. Similarly, there is positive correlation between number of dependants and satisfaction.
- **Creativity:** This is yet another personal factor that influences individual behaviour. Creativity refers to the cognitive activity that results in a new or novel way of viewing or solving a problem. Creativity is highly desirable, as it is from creativity that major inventions, scientific breakthroughs, and great works of music, literature, and art emanate.

Creative individuals possess at least three categories of attributes, background experience, personal traits, and cognitive abilities.

Background experience matters much to make an individual creative. It is well understood that creative individuals were raised in environments that nurtured creativity. Pierre and Marie Curie, great scientists in their own right, raised a daughter Irene, who won the Nobel Prize in Chemistry. Thomas Edison's creativity was nurtured by his mother.

Personal traits have also been linked to creativity in individuals. The traits shared by most creative people are openness; an attraction to complexity; high levels of energy; independence and autonomy; high level of self-confidence, and a strong belief that one has, in fact, creative abilities. Individuals who possess these traits, tend to be more creative than those do not.

Cognitive abilities are an individual's power to think intelligently and to analyse situations and data effectively. Intelligence is a precondition for creativity. Creativity also depends on one's ability to think divergently and convergent about events. Convergent thinking enables him or her to perceive similarities between situations or events. Creative people are generally skilled both in divergent and convergent thinking.

Organisations seek to promote creativity by making it a part of their culture. Firms that truly want to stress creativity state as goals that some percentage of future revenues are to be generated from new products. This clearly communicates that creativity and innovation are valued.

Firms also seek to enhance creativity by rewarding creative success, but care is taken to avoid punishing creative failures. Punishing an employee for failure of his or her creative idea discourages others from coming out with innovative thinking.

- **Emotions** An emotion is a temporary feeling of pleasure or displeasure and of activation or deactivation. It is a temporary positive or negative experience (See Fig. 5.4). Emotion arises because of the cognitive appraisal of a particular situation. Emotions are of six types: anger, fear, sadness, happiness, disquiet and surprise.

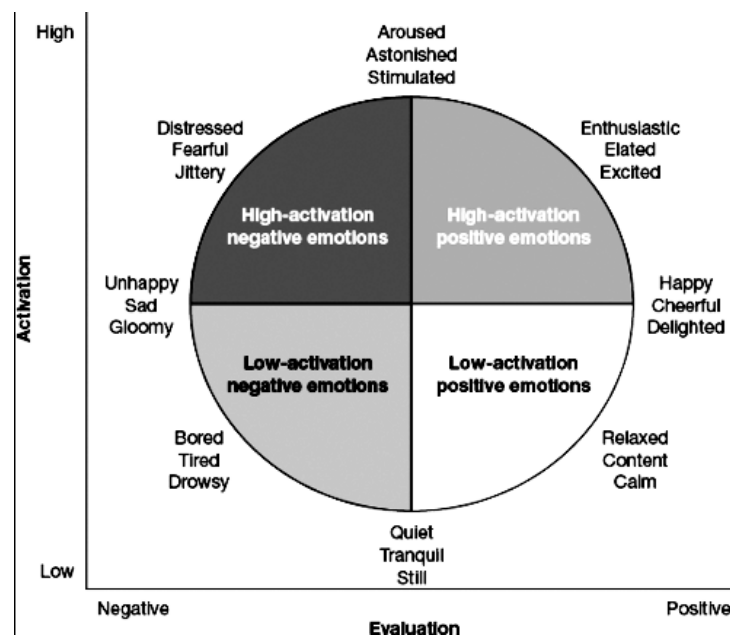


Figure : 4.3

These are part of one's personality and he or she carries them to the workplace. And their impact on one's workplace behaviour is considerable. Emotions are a private affair. No individual is willing to share his or her emotions with others. Yet, we are able to recognise the presence of various emotions in others, and we are able to communicate our own feelings to them as well.

Four features are common to all emotions:

- Emotions are highly focused — They have an object towards which emotions are expressed, For example, we love a person, our anger is towards a person, and we hate a specific individual.
- Expression of emotions is universal — People across the globe exhibit similar body language to express same emotions. Facial expression to exhibit joy is same irrespective of the fact that the person is an Indian, Chinese or Japanese.
- Culture determines expression of feelings — Notwithstanding the fact that people exhibit identical behaviour to express similar emotion, culture of each society determines display norms to exhibit feelings. Italian culture, for example, emphasises high expressiveness, but it is a taboo in Thailand.
- Six major categories of emotions have been identified — Anger, fear, joy, love, sadness and surprise. These are universal.

Each of these emotions is exhibited (tempered by culture) in a given way. Love, for example, is expressed through smile, excitement, eagerness, anxiety and pleasantness writ large on the face, and anger is seen from the frowning face. How to express emotions while communicating online? People in the recent years have developed ingenious ways to expressing emotions through e-mail messages. Known as emoticons (short for emotional icons), these are created by typing characters such as commas, hyphens, and parentheses, which are viewed by tilting one's head to the left (treating left as top). The most common emoticons are as follows:

:—) smile

:—(frown

;-) wink

But the problem with emoticons is their overuse by communicators. Another issue relates to their ineffectiveness in communicating what the sender really wanted to convey. Consequently, the impact of emoticons has declined over time.

- **Moods:** Moods are related to emotions. While emotions are focused and intense, moods are feelings that are diffuse. More specifically, a mood is understood as a feeling that is unfocused, and relatively mild in intensity. For example, one can say that he or she is in a good mood or bad mood. But this is not as focused and intense as saying that the individual is experiencing anger or sadness. In addition, moods tend to fluctuate rapidly in a given day. A favourable opinion from the boss may make the employee entertain a good mood. A harsh criticism, the next moment or the next day, is likely to put the same person in a bad mood. But emotions tend to endure. Love or sadness is likely to stay longer than a good or a bad mood.
- **Impact on Performance:** How do emotions and moods impact job performance? It is being observed that emotions may not have any impact on performance. An individual beset with anger, joy or sadness is likely to focus more on the feeling than on improving performance. The distance between emotions and performance is more where there is negative impact of emotions. An angry employee (because he or she received poor rating from the boss) is unlikely to show any improvement in performance.

With regard to moods, there is correlation between them and performance. This is proved in at least three ways: (i) mood strongly influences the extent to which people help each other, co-operate with each other, and refrain from exhibiting aggressive behaviour towards others, (ii) moods also influence one's attitude towards work of self as well as of others, and (iii) moods help recall past events and actions. For example, an individual is likely to recollect positive things about the job, the boss and the environment, if he or she starts the day with a good mood. Quite contrary happens when he or she starts the day with a bad mood.

- **Emotional Intelligence:** Emotional intelligence (EI or EQ) is concerned with an individual's emotional and social skills. EI helps us monitor and shape our emotional responses and those of others. The concept of EI was popularised by Daniel Goleman in 1995.

Identity: Yet another foundation that impacts an individual's behaviour is his or her identity. Distinction is made between personal identity and social identity. Personal

identity is the product of one's appearance, personality, special skills and interests. Social identity of the person comes from the group, from the company and from a university to which he or she belongs. Personal identity is person specific, but social identity is what is derived from others.

2. ENVIRONMENTAL FACTORS

Environmental factors include such variables as economic, social, political, and the like. These factors are mainly external and will influence (and are not generally influenced by) individual behaviour considerably. A brief description of the external factors follows.

- **Economic Factors:** The economic environment is an important determinant of individual behaviour. All work is performed within economic framework that, both directly and indirectly, impinges on an organisational environment.

Economic environment is a synthesis of several factors, prominent among them being the employment level, wage rates, economic outlook, and technological change.

Employment opportunities will have a strong influence on individual behaviour. Fewer job opportunities (create fear of losing the present job) increase the emphasis on job security and can change the basic motivation pattern of the individual. Where job opportunities are several, tendency of job hopping will increase. Loyalty to one's organisation becomes irrelevant.

The job that an individual holds has significant influence on his or her behaviour. The behaviour of a professor in a university will be different from an executive in an industrial enterprise. Similarly, the behaviour of a worker in a factory will not be the same as that of a cart puller on the street (See also Exhibit 5.1).

Wages satisfy various individual needs. They provide food and shelter, are measures of achievement, and can serve as a status symbol. Money is a complex variable and its effect on behaviour varies tremendously. It is well-known that wages attract people to certain organisations and determine their level of job satisfaction. As will be explained in the chapter on motivation (Lesson 1, inequality in wages will have dampening effect on employee performance.

The general economic outlook also influences individual expectations, especially of those employed in industries severely affected by economic cycles. In fact, some employees experience lay-offs and recalls in the course of their working life, while others (e.g., public sector employees) are insulated from the economy. Individuals who experience frequent lay-offs are more likely to be motivated by factors that affect job security; others would consider job security to be relatively unimportant and would be motivated by other factors.

EXHIBIT 5.1: LIFE FROM DEATH

Life's ironies are such that while death shrouds entire families with grief, it also offers a livelihood to many at the same time. For those who work in a mortuary; crematorium or a burial ground, death is something that sustains life.

Grave diggers cannot afford to become squeamish at the sight of the body. And those employed in a mortuary do not get nauseated while tearing up Boehm for autopsy. Workers at the crematoria, seldom 'imitate while pushing a body into furnace or while heaping wood on a funeral pyre. They have overcome the initial shock, hesitation and fear and accept death as routine.

The mortuary attendants at the Victoria hospital, whose khaki apron is always bloodstained; say that they nearly fainted when they were asked to slit a body for post-mortem for the first time. 'We cannot work without a bit of paramatma (liquor) inside us', admits one of the attendants.

But Mr. Rosaiah who has been working for a decade, says he continues to feel he should look for some other job. He suffers nausea whenever he has to open up a decomposed body. 'I still have to come out of the post-mortem chamber for sometime during an autopsy, take a break and then return to complete the job', he says. Says Mr. Maharaja, another mortuary attendant: 'had decided not to work here'. But what else would he do? Every attendant admits that liquor fortifies them and helps them complete the work. 'Many of us have become drunkards' says Mr. Rosaiah.

Another of their problem is the social stigma attached to their jobs. They are identified as 'hena koyyuvaru (dead body cutters). Mr. Rosaiah has not told his children where he works, he does not want them to know.

Dr. Tirunayakkarasu, Head of the Department of Forensic Science, which conducts autopsy, wonders whether he has 4: Eisen the wrens held. 'But you get used

to the work, though you are not happy about it, he says. 'It's a dirty work, but you are married to the profession and there is no alternative'. A postgraduate student, who is getting trained under Dr. Tirunavakkarasu, 'says the first three- months on the job was sheer agony. Some people continue to identify Dr. Tirunavakkarasu as the 'dead body doctor', though he is an acclaimed pathologist. Even my relative do not take treatment from me'. But he has managed to come to terms with all these. The confidence that the police, advocates and the judges have in his work has helped him remain in the profession.

But Dr. Dhanraj Ingle, another PG student, says he has had no difficulty at all. He wonders why there should be any hesitation in handling a dead body 'Aren't we all going to dead bodies one day?' is the philosophy that has kept away all questions. 'Do you know why you die? Because you are born'. Dr. Ingle seems to echo Osho Rajneesh who has said, 'The moment you are born, death has already taken place'.

Dr. Tirunavakkarasu says, doctors and mortuary attendants are ever vulnerable to infection. 'When we go to work, it is like a soldier going to war', says a mortuary attendant. But it would be somewhat easier if they were, paid a little more. The incentive given to them is just rupee one for assisting to conduct the autopsy on one dead body. They want it to be increased to at least Rs5.

Those who work in the crematoria also say they underwent an initial difficult period. But they could get over the problems quite easily. Mr. Umesh an operator at the Wilson Garden Electric Crematorium, says some people sarcastically philosophically. He only hopes that the employees of the crematoria, who are forced to work around the year, would be given leave facility and incentives. All family members of Marappa, the gravedigger at Wilson Garden burial ground, live in a corner of the ground. Yards away from his house, the flowers placed on a new grave are yet to wither. What about the ghostly tales associated with graves? 'I have neither seen a devil nor a demon, says Marappa's wife, Shakuntala, who has lived at the graveyard for years. Their children are not scared of dead bodies and graves either.

Those who see dead bodies everyday are so often reminded that one day the bell would toll for them. 'I have stopped undergoing regular medical-checkup, says Dr. Nissar Ahmed, who works with Dr. Tirunavakkarasu. You will anyway die one day', he adds. Births and deaths have ceased to be of any significance to Mr. Muniraju, a mortuary attendant. He has children. 'They will all die one day', he says stoically,

- **Technological change** is considered as an economic factor because of its potential effects upon Individual job opportunities. Technological change has the strongest impact on lower level Jobs, although increased automation, robotics, computerisation, and more sophisticated production technologies can affect individuals at all levels. In addition to changing employment opportunities, technological change also affects job design. Although the individual may stay employed, the skill required to perform the job may be reduced, thus increasing the downward pressure on wages. Both the reduced skill required and perceived lack of advancement opportunities can have major effect on an individual's level of job satisfaction.
- **Cultural Environment:** Cultural environment is made up of institutions and other forces that affect society's basic values, perceptions, work ethics, preferences, and behaviours. People grow up in a particular society that shapes their basic beliefs, values, and behaviours. Culture varies from country-to-country (even within a country) and these variations result in different behaviours across countries.

Work ethics, achievement needs, and effort-reward expectations and values are important cultural factors, having behavioural implications. Work ethics is tinged with morals. In the context of job ethics, it implies hard work and commitment. Strong work ethics ensures motivated employees, and the opposite is true when work ethics is weak.

Achievement need too, influences employee behaviour. A person with a high need to achieve tends to have a high degree of personal responsibility, sets realistic goals, takes moderate risks, and uses personal performance feedback in satisfying his or her need to achieve (Lesson 10 provides more details on achievement needs).

From a cultural perspective, it is important to note that the need to achieve is a learned phenomenon. This suggests that various cultural attributes (e.g., educational system, institutional characteristics, media conditioning, etc.), can affect the need to achieve either positively or negatively. Although work ethics and the need to achieve are not the same, they do affect individuals in similar ways. Not surprisingly, individuals with a low need to achieve will be more difficult to motivate using traditional motivation

techniques. Similarly, individuals with a high need to achieve would be relatively unhappy in an organisation that does not reward achieving power.

It is well-known that a perfect match between effect and reward will produce better performance from an individual. When the individual perceives that he or she has been treated unfairly, his or her performance suffers. This phenomenon is observed in most organisations.

Value is tinged with moral favour involving an individual's judgement of what is right, good, or desirable. Values influence one's perception and, attitudes, and through these, his or her behaviour.

- **Ethics and Social Responsibility:** Ethics and social responsibility impact individual behaviour considerably.

Ethics refers to a system of moral principles — a sense of right and wrong, and goodness and badness of actions and the motives and the consequences of these actions. As applied to a business firm, ethics is the study of good and evil, right and wrong, and just and unjust actions of business people.

Can personal ethics be different from business ethics? The answer is 'no'. But in reality, circumstances in business may compel an ethically honest person to commit certain immoral acts. What is, therefore, important is that the organisation must have strong ethical conduct. This will make honest people become more strong in their beliefs and actions and often convert morally vulnerable individuals to become ethically strong. Look at the case of a CEO of a car manufacturing company. Chung Mong-Koo, Head of Hyundai Motors, the sixth largest car maker in the world, has been sentenced to three years in jail on charges of embezzlement and breach of trust. It is ideal when a honest individual works for an organisation like WIPRO which is known for ethical conduct. The behaviour of such employees will be obviously different from others who work for organisations like Enron.

Social responsibility, also called corporate social responsibility (CSR), is understood as, the obligation of decision makers to take actions that protect and improve the welfare of the society as a whole, along with their own interests. Specifically, CSR refers to the commitment of business to contribute to sustainable economic development, working with employees and their families, the local community and society at large, to improve their quality of life in ways that are good for business. CSR obligations transcend the ethical, legal, commercial and public expectations of business.

An employee working for an organisation (Tatar, for example) known for social consciousness tends to develop similar characteristics — concern in the welfare of others, sharing with others and the like.

- **Political Factors:** The political climate in which an individual lives can affect individual behaviour in several ways. The stability of the Government can affect employment opportunities, both in quantity and quality. A politically unstable environment has difficulty in attracting industry and therefore experiences problems in maintaining a steady level of employment. The quality of jobs can also be affected by low capital investment. As companies are reluctant to invest large sums of money in a politically unstable country, many available jobs are either agriculture-oriented or in other types of labour-intensive industries. Consequently, large segments of the population are either in temporary employment or in jobs that satisfy only their basic needs.

The political ideology of a country affects individual behaviour primarily through the relative freedom available to its citizens. For example, in controlled societies, educational and career opportunities are less available to individuals than in the less controlled ones. Management structures and philosophies in controlled societies have a significant impact on the decision strategies and methods of implementation available to managers. The relative freedom available can affect career choice, job design, motivation methods, and finally, individual performance.

A. Check your progress :

Fill in the Blanks:

1. _____ refers to evaluative statements or judgments concerning objects, people, or events.
(a) Attitude (b) Behavior (c) Appearance (d) Demeanor
2. The statement, "A person who eats meat and then fights for animal rights demonstrate double standards" is an evaluative statement. Such an opinion constitutes the _____ component of an attitude.
(a) cognitive (b) affective (c) reflective (d) behavioral
3. Which of the following statements represents the cognitive component of attitude?
(✓) the correct sentence.
(a) I have decided to inform my supervisor that I will be quitting my job.
(b) I intend to work during the weekend to meet the month's deadline.
(c) I feel upset about having to work during Christmas.
(d) This job is not giving me the opportunity to explore my skills.

3. PSYCHOLOGICAL FACTORS

Psychological factors are an individual's mental characteristics and attributes that can affect behaviour. Though not always observable, their role in affecting individual behaviour is considerable. There are several psychological factors, but the more prominent among them are personality, perception, attitudes, values and teaming. These have been discussed in greater detail in the next five chapters.

4.3 ORGANISATIONAL SYSTEMS AND RESOURCES

Individual behaviour is also influenced by physical facilities, organisational structure and design, leadership, work-related behaviour, and reward systems.

- **Facilities:** Physical facilities such as lighting, ventilation, air-conditioning, decor, space provided for each employee, equipment, and the like, have an influence on employee performance. In addition, adequate provision of secretarial support and other staff can allow a senior manager to focus his or her attention on issues more critical to the organisation's effectiveness.
- **Organisational structure and design:** These have to do with the way in which the different groups and departments in an organisation are set up and the way in which, the reporting relationships and lines of communication are established among different positions in the organisation. The behaviour and performance of an individual is influenced by where that person fits into the overall structure and design of the organisation.
- **Leadership:** An organisation establishes a system of leadership and supervision to provide direction, assistance, advice, and coaching to individual members. The leader's behaviour is, therefore, a potential source of influence on an individual.
- **Reward systems:** Organisations establish reward systems to compensate their employees for good work done. The behaviour and performance of an individual is influenced by the reward system his or her organisation has established.
- **Work-related behaviour:** An individual's behaviour is influenced by what stage he or she occupies in an organisation. The five stages of the individual's stay in the organisation may be distinguished — joining the organisation, remaining with the organisation, maintaining work attendance, performing required tasks, deviant behaviour and exhibiting organisational citizenship. (See Fig. 4.4).

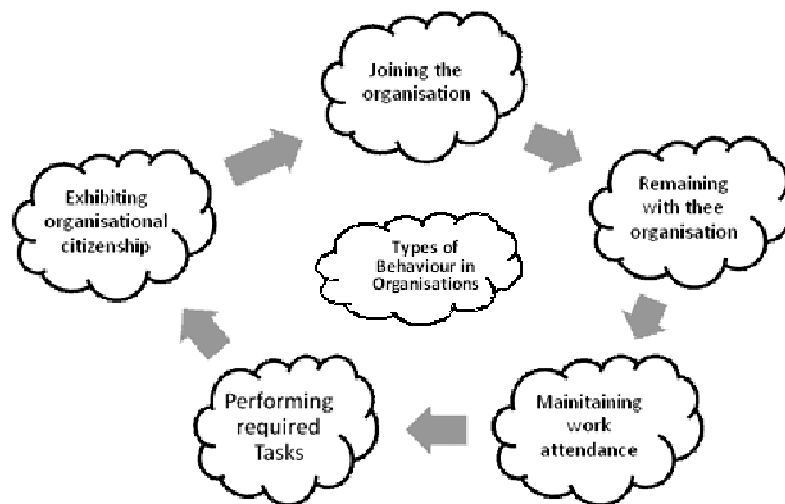


Figure 4.4

- **Joining the organisation:** An individual joins an organisation of his or her choice. He or she needs the job just as the organisation needs the services of the individual. In the induction stage, the new employee experiences excitement because of the new assignment and expectations from it, and anxiety because of the fear that the expectations might not be realised.
- **Remaining with the organisation:** The most challenging task before organisations today is to attract talent and retain it for the benefit of the firm. The organisation may succeed in attracting competent employees by offering lucrative remuneration packages and arousing high expectations. Retaining such competent employees is much more difficult. Knowledge workers constitute intellectual capital and the longer they stay, more knowledge they have about work processes, corporate values, and customer needs. Thus, knowledge management involves ensuring that valuable employees stay with the organisation. Towards this end, managers adopt different interventions.

Interventions notwithstanding, employees quit their jobs when they experience dissatisfaction. The behaviour of a dissatisfied employee will be different from that of another who derives satisfaction from his or her job. The dissatisfied employee tends to withdraw and show less productivity. A satisfied employee, on the other hand, tends to exhibit commitment to work and show better productivity.

- **Maintaining work attendance:** Those who stay with the organisation are expected to report to work as scheduled. But some of the employees fail to

show up for work and their absences are caused by problems relating to health (of selves or of families), family responsibilities, vehicles breakdown, job dissatisfaction, and lack of motivation in the workplace. These account for absenteeism among the employees.

- **Performing required tasks:** People are hired to perform tasks, generally, above minimum standards. Task performance refers to goal-directed activities that are under the individual's control. These include physical behaviours as well as mental processing leading to behaviours. These abilities need to be harnessed and put to use for organisational effectiveness.
- **Exhibiting organisational citizenship:** Organisational effectiveness depends on more than just satisfactory job performance. It also relies on organisational citizenship. Organisational citizenship behaviours extend beyond job-related tasks. They include tolerating ambiguities, accepting occasional impositions, sharing resources, and co-operating with fellow employees.

Table 4.3 contains forms of organisational citizenship behaviour (left of the Table) and specific examples for each (right of the Table).

How do employees become good organisational citizens? One way to ensure this is the perceived fairness of the company's treatment of employees. Firms can develop citizenship trait by correcting the inequity felt by an employee. The other is the degree to which employees hold strong ethical values, particularly a sense of social responsibility. An employee with social conscientiousness will reach out to help others and avoid engaging in behaviours that interfere with other's goals. Social responsibility is a trait acquired through lifelong socialisation, and it does well for an organisation to hire people with this value.

- **Deviant behaviour:** Yet another work-related behaviour is the deviant behaviour. Deviant behaviour is understood as the actions of employees that deliberately breach norms of organisations as well as of society. Strangely, if deviant behaviour is good for one, it is harmful to another. For example, if a smart employee succeeds in throwing toxic waste into a nearby river thus rendering flowing water unusable, the action is beneficial to the organisation

but is harmful to the society. Likewise, what is good to the society is not beneficial to the company. If on environmental safety grounds, a mining licence is cancelled or not renewed, the company suffers loss but society stands to gain.

FORM OF OCB	EXAMPLES
Altruism	<ul style="list-style-type: none"> ■ Helping a coworker with a project ■ Switching vacation dates with another person ■ Volunteering
Conscientiousness	<ul style="list-style-type: none"> ■ Never missing a day of work ■ Coming to work early if needed ■ Not spending time on personal calls
Civic virtue	<ul style="list-style-type: none"> ■ Attending voluntary meetings and functions ■ Reading memos; keeping up with new information
Sportsmanship	<ul style="list-style-type: none"> ■ Making do without complaint ("Grin and bear it!") ■ Not finding fault with the organization
Courtesy	<ul style="list-style-type: none"> ■ "Turning the other cheek" to avoid problems ■ Not "blowing up" when provoked

Table 4.2 organisational citizenship behaviour

- **Two dimensions of deviant behaviour emerge:** Destructive and Constructive. Destructive organisational deviance is a form of behaviour that violates both organisational and societal norms (e.g., workplace violence). Constructive organisational deviance refers to actions that deviate from organisational norms but are consistent with societal norms (e.g., whistle-blowing).

Workplace violence occurs in the form of physical assault, property destruction, and verbal abuse, obstructing others from performing their tasks, and not giving respect to others. Unfair treatment, restructuring, downsizing and lay-off are the main causes for workplace violence. Such violence is dysfunctional to the organisation and shall have spill-off negative consequences on the society.

Whistle-blowing is the disclosure by employees of illegal, immoral or illegitimate practices by employers to people or organisations able to take action. It was Sherron Watkins who blew whistle about improper accounting practices in the erstwhile Enron. Her letter to her boss triggered the closure of Enron but saved public from loss of their deposits. Similarly, an individual who blows the whistle on illegal dumping of toxic chemicals by his or her company may save many people from serious illness, but invites trouble to his or her organisation.

- **CyberLoafing:** Cyber loafing is yet another deviant behaviour. Cyber loafing refers to the use of office Internet and e-mail facilities for personal use. Obviously, this is high-tech deviant behaviour.

Cyber loafing costs organisations dearly in terms of money and executives are aware of the problem. As a preventive measure, monitoring and filtering devices are being used, but such measures are resented by employees on the grounds of invasion of their privacy. A problem facilitated by technology cannot be solved by technology itself. This has come to the knowledge of OB scientists and they are studying the problem and it is hoped that they would come out with remedial 'measures.

- **Employee Theft:** Taking company property for non-business uses refers to employee theft. Almost every employee does take something home - like pencils, pens or white sheets unintentionally. Such petty thefts may not be unethical but illegal nevertheless. Surprisingly, such small thefts repeated over time may turnout to be more costly than one or two major thefts which hit headlines in the press.

Two reasons account for this type of behaviour. **One**, 'others are doing, why not me?' tendency. **Two**, settle scores with employers whom they believe have ill-treated them.

What can be done to prevent employee thefts? Obviously, hidden cameras are not a foolproof measure. Additional measures can be: have a theft policy and involve employees in evolving a; communicate costs of stealing to the employees; fair treatment of employees; and be a role model yourself.

4.4 LET US SUM UP

The different models of man and individual differences have been clearly explained in this lesson. We know that nature of individual behaviour is complex. Thus it should be studied minutely and thoroughly by taking a total man concept. This individual behaviour causes difference in behaviour which have been studied through models of man.

4.5 GLOSSARY

- Rational man- oldest model of man
- Individual differences- types of individual behaviour.

4.6 SELFASSESSMENT QUESTIONS

1. What are the factors affecting individual differences?

2. Explain the concept of social man.

4.7 LESSON END EXERCISE

1. Explain the managerial implications of individual differences.

2. Discuss any two models of men.
-
-

Answers to Check your progress

- A. (i) a
(ii) a
(iii) d

4.8 SUGGESTED READINGS :

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**CHALLENGES AND OPPORTUNITIES IN OB AND
OB MODELS**

STRUCTURE :

- 5.0 Learning Objectives and Learning outcomes
- 5.1 Introduction
- 5.2 Challenges and Opportunities in OB
- 5.3 OB Models
- 5.4 Let us sum up
- 5.5 Glossary
- 5.6 Self Assessment Questions
- 5.7 Lesson End Exercise
- 5.8 Suggested Readings

5.0 LEARNING OBJECTIVES

- (i) To impart knowledge about the concept of individual difference
- (ii) To know about the factors of individual difference.
- (iii) To acquaint learners about the models of OB.

LEARNING OUTCOMES

After going through this lesson you will be able to :

- (i) explain concept of individual difference
- (ii) throw light on factors of individual difference
- (iii) list about models of OB

5.1 INTRODUCTION

In this last lesson of Unit I you will be learning about managing individual behaviour. The nature, factors causing individual behaviour affecting and implication of individual behaviour will also be discussed in this lesson.

5.2 CHALLENGES AND OPPORTUNITIES IN OB

Understanding organizational behaviour has never been more important for managers. A quick look at a few of the dramatic changes now taking place in organizations supports this claim. For Instance, the typical employee is getting older; more and more women and nonwhites are in the workplace; corporate downsizing and the heavy use of temporary workers are severing the bonds of loyalty that historically tied many employees to their employers; and global competition is requiring employees to become more flexible and to learn to cope with rapid change.

In short, there are a lot of challenges and opportunities today for managers to use OB concepts. In this section, we review some of the more critical issues confronting managers for which OB offers solutions—or at least some meaningful insights toward solutions.

1. CHALLENGES: Responding to Globalization

Organizations are no longer constrained by national borders. Burger King is owned by a British firm, and McDonald's sells hamburgers in Moscow. ExxonMobil, a so-called American company, receives almost 75 percent of its revenues from sales outside the United States. New employees at Finland-based phone maker Nokia are increasingly being recruited from India, China, and other developing countries with non-Finns now outnumbering Finns at Nokia's renowned research center in Helsinki and all major automobile manufacturers now build cars outside their borders; for instance, Honda builds cars in Ohio; Ford in Brazil; and both Mercedes and BMW in South Africa.

These examples illustrate that the world has become a global village. In turn, managers have to become capable of working with people from different cultures.

Globalization affects a manager's people skills in at least two ways. First, if you're a manager, you're increasingly likely to find yourself in a foreign assignment. You may be transferred to your employer's operating division or subsidiary in another country. Once there, you'll have to manage a work force that is likely to be very different in needs, aspirations, and attitudes from those you were used to back home. Second, even in your own country, you're going to find yourself working with bosses, peers, and other employees who were born and raised in different cultures. What motivates you may not motivate them. Or your style of communication may be straightforward and open, but they may find this approach uncomfortable and threatening. To work effectively with these people, you'll need to understand their culture, how it has shaped them, and how to adapt your management style to their differences. As we discuss OB concepts throughout this book, we will frequently address how cultural differences might require managers to modify their practice.

2. **Managing Workforce Diversity**

One of the most important and broad-based challenges currently facing organizations is adapting to people who are different. The term we use for describing this challenge is workforce diversity. While globalization focuses on differences between people from different countries, workforce diversity addresses differences among people within given countries.

Workforce diversity means that organizations are becoming more heterogeneous in terms of gender, race, and ethnicity. But the term encompasses anyone who varies from the so-called norm. In addition to the more obvious groups—women, African Americans, Latinos, Asian Americans—it also includes the physically disabled, gays and lesbians, and the elderly. Moreover, it's an issue in Canada, Australia, South Africa, Japan, and Europe as well as the United States. Managers in Canada and Australia, for instance, are having to adjust to large influxes of Asian workers. The 'new' South Africa is increasingly characterized by blacks' holding important technical and managerial jobs. Women, long confined to low-paying temporary jobs in Japan, are moving into managerial positions. And the European Union cooperative trade arrangement, which opened up borders throughout much of western Europe, has increased workforce diversity in organizations that operate in countries such as Portugal, Italy, and France.

We used to take a melting-pot approach to differences in organizations, assuming people who were different would somehow automatically want to

assimilate. But we now recognize that employees don't set aside their cultural values and lifestyle preferences when they come to work. The challenge for organizations, therefore, is to make themselves more accommodating to diverse groups of people by addressing their different lifestyles, family needs, and work styles. The melting-pot assumption is being replaced by one that recognizes and values differences.

Haven't organizations always included members of diverse groups? Yes, but they were a small percentage of the workforce and were, for the most part, ignored by large organizations. Moreover, it was assumed that these minorities would seek to blend in and assimilate. For instance, the bulk of the pre-1980s U.S. workforce were male Caucasians working full-time to support a non-employed wife and school-aged children. Now such employees are the true minority!" Currently, 47 percent of the U.S. labor force are women. Minorities and immigrants make up 23 percent." And an increasing proportion of workers are unmarried, with no children.

Workforce diversity has important implications for management practice. Managers have to shift their philosophy from treating everyone alike to Recognizing differences and responding to those differences in ways that ensure employee retention and greater productivity while, at the same time, not discriminating. This shift includes, for instance, providing diversity training and revamping benefits programs to accommodate the different needs of different employees.

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 a potential for higher turnover, more-difficult communication, and more interpersonal conflicts.

3. Improving Quality and Productivity

Peter Wood manages in a very competitive business. He's manufacturing-systems manager at the Oak Creek, Wisconsin, plant for Delphi Automotive Systems. The plant makes catalytic converters for more than 40 automobile manufacturers. In 1997, Wood recognized that customers increasingly wanted customized products and they weren't willing to wait three weeks for delivery. So Wood led a complete overhaul of the Oak Creek plant." Assembly lines were replaced with team work cells, employees were given total responsibility for quality, and hundreds of wasteful processes were cut from the production system. The overhaul worked. Within two years, productivity at Oak Creek has increased by more than 25 percent, quality has improved, and delivery time has been cut to four days.

More and more managers are confronting the challenges that Peter Wood is facing. They are having to improve their organization's productivity and the quality of the products and services they offer. Toward improving quality and productivity, they are implementing programs such as quality management and process reengineering—programs that require extensive employee involvement.

4. **Quality management (QM)** is driven by the constant attainment of customer satisfaction through the continuous improvement of all organizational processes)? It has implications for OB because it requires employees to rethink what they do and become more involved in workplace decisions.

In times of rapid and dramatic change, it's sometimes necessary to approach improving quality and productivity from the perspective of "How would we do things around here if we were starting from scratch?" That, in essence, is the approach of **process reengineering**. It asks managers to reconsider how work would be done and their organization structured if they were starting over.' The actions that Peter Wood took at Delphi's Oak Creek plant illustrate process reengineering. Instead of merely making incremental changes in the basic production processes, Wood reinvented the plant's whole production system. Every process was evaluated in terms of its contribution to the plant's goals. Inefficient processes were thrown out. Entire new systems were introduced. And most employees found themselves undergoing training to do entirely new jobs. Rather than try to make small improvements in a system that was too rigid and inflexible to meet changing customer needs, Wood completely revamped his plant's production system and the jobs of individual employees. For instance, Oak Creek employees now check for quality, help establish productivity standards, and actively participate in introducing work-flow innovations.

Today's managers understand that the success of any effort at improving quality and productivity must include their employees. These employees will not only be a major force in carrying out changes but increasingly will actively participate in planning those changes. OB offers important insights into helping managers work through these changes.

5. Responding to the Labour Shortage

Economic ups and downs are difficult to predict. The world economy in the late 1990s, for instance, was generally quite robust and labor markets were tight. Most employers found it difficult to find skilled workers to fill vacancies. Then, in 2001, most developed countries suffered an economic recession. Layoffs were widespread and the supply of skilled workers became much more plentiful. In contrast, demographic trends are much more predictable. And we're facing one that has direct implications for OB. Barring some unforeseeable economic or political calamity, there will be a labor shortage for at least another 10 to 15 years. We will discuss the problem using U.S. statistics, but this shortage of skilled labour is also likely to be just as prevalent in most of Europe due to a graying population and a declining birth rate.

The U.S. labor shortage is a function of two factors—birth rates and labor participation rates. From the late 1960s through the late 1980s, American employers benefited from the large number of Baby Boomers (those born between 1946 and 1951) entering the workforce. Specifically, there are 76 million Baby Boomers in the workforce. But there are 10 million fewer Gen-ers to replace them when they retire. Some Boomers have already retired early. The problem becomes severe in around 2006, when the major exodus of Boomers from the workplace begins. Importantly, in spite of continued increases in immigration new entrants to the workforce from foreign countries will not do much to correct the supply shortage.

The labour shortage problem is compounded by the fact that the latter part of the 20th century benefited from a huge increase in the number of women entering the workforce. That provided a new supply of talented and skilled workers. This source has now been tapped. Moreover, there is declining interest by older workers to stay in the labour force. In 1950, nearly 80 percent of all 62-year-old men were still working. Today, only slightly more than half are working. Improved pension plans, expanded Social Security benefits, and a healthy stock market has led many workers to retire early, especially those whose jobs were stressful or unchallenging. So the combination of the smaller

Generation X population, the already high participation rate of women in the work force, and early retirements will lead to a significantly smaller future labor pool from which employers can hire.

In times of labour shortage, good wages and benefits aren't going to be enough to get and keep skilled employees. Managers will need sophisticated recruitment and retention strategies. And OB can help managers create these. In tight labor markets, managers who don't understand human behaviour and fail to treat their employees properly, risk having no one to manage!

6. Improving Customer Service

American Express recently turned Joan Weinbel's worst nightmare into a non-event. It was 10 P.M. Joan was home in New Jersey, packing for a week-long trip, when she suddenly realized she had left her AmEx Gold Card at a restaurant in New York City earlier in the evening. The restaurant was 30 miles away. She had a flight to catch at 7:30 the next morning and she wanted her card for the trip. She called American Express. The phone was quickly answered by a courteous and helpful AmEx customer service representative who told Ms. Weinbel not to worry. He asked her a few questions and told her 'help was on the way. To say Joan was flabbergasted would be an understatement when her doorbell rang at 11:45 P.M. -less than 2 hours after she had called AmEx. At her door was a courier with a new card. How the company was able to produce the card and get it to her so quickly still puzzles Joan. But she said the experience made her a customer for life.

Today, the majority of employees in developed countries work in service jobs. For Instance, 80 percent of the U.S. labor force is employed in service industries. In Australia, 73 percent work in service industries. In the United Kingdom, Germany, and Japan the percentages are 69, 68, and 65, respectively. Examples of these service jobs include technical support representatives, fast-food counter workers, sales clerks, teachers, waiters or waitresses, nurses, automobile repair technicians, consultants, credit

card representatives, financial planners, and flight attendants. The common characteristic of these jobs is that they require substantial interaction with an organization's customers. And since an organization can't exist without customers—whether that organization is DaimlerChrysler, Merrill Lynch, LL E-commerce Bean, a law firm, a museum, a school, or a government agency—management needs to ensure that employees do what it takes to please its customers. OB can help in that task.

An analysis of a Qantas Airways' passenger survey confirms the role that employees play in satisfying customers. Passengers were asked to rate their "essential needs" in air travel. Almost every factor listed by passengers were directly influenced by the actions of Qantas' employees—from prompt baggage delivery, to courteous and efficient cabin crews, to assistance with connections, to quick and friendly airport check-ins

Except for OB researchers' interest in customer satisfaction through improvements in quality, the field of OB has generally ignored the customer. Focusing on the customer was thought to be the concern of people who study and practice marketing. But OB can contribute to improving an organization's performance by showing managers how employee attitudes and behaviour are associated with customer satisfaction. Many an organization has failed because its employees failed to please the customer. So management needs to create a customer-responsive culture. And OB can provide considerable guidance in helping managers create such cultures - cultures in which employees are friendly and courteous, accessible, knowledgeable, prompt in responding to customer needs, and willing to do what's necessary to please the customer.

7. Improving People Skills

We opened this chapter by demonstrating how important people skills are to managerial effectiveness. We said that "this book has been written to help both managers and potential managers develop those people skills."

As you proceed through this self learning material, we'll present relevant concepts and theories that can help you explain and predict the behaviour of people at work. In addition, you'll also gain insights into specific people skills that you can use on the job. For instance, you'll learn ways to design

motivating jobs, techniques, for improving your listening skills, and how to create more effective teams.

8. Empowering People

If you pick up any popular business periodical nowadays, you'll read about the reshaping of the relationship between managers and those they're supposedly responsible for managing. You'll find managers being called coaches, advisers, sponsors, or facilitators. In some organizations, employees are now called associates. And there's a blurring between the roles of managers and workers. Decision making is being pushed down to the operating level, where workers are being given the freedom to make choices about schedules and procedures and to solve work-related problems.' In the 1980s, managers were encouraged to get their employees to participate in work-related decisions. Now, managers are going considerably further by allowing employees full control of their work. An increasing number of organizations are using self-managed teams, in which workers operate largely without bosses. What's going on? What's going on is that managers are empowering employees. They are putting employees in charge of what they do. And in so doing, managers are having to learn how to give up control, and employees are having to learn how to take responsibility for their work and make appropriate decisions. In later chapters, we'll show how empowerment is changing leadership styles, power relationships, the way work is designed, and the way organizations are structured.

9. Coping with "Temporariness"

Managing used to be characterized by long periods of stability, interrupted occasionally by short periods of change. Managing today would be more accurately described as long periods of ongoing change, interrupted occasionally by short periods of stability. 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 update their knowledge and skills continually to perform new job requirements. For example, production employees at companies such as Caterpillar, Ford, and Alcoa now need to know how to operate computerized production

equipment. That was not part of their job descriptions 20 years ago. Work groups are also increasingly in a state of flux. In the past, employees were assigned to a specific work group, and that assignment was relatively permanent. There was a considerable amount of security in working with the same people day in and day out. That predictability has been replaced by temporary work groups, teams that include members from different departments and whose members change all the time, and the increased use of employee rotation to fill constantly changing work assignments. Finally, organizations themselves are in a state of flux. They continually reorganize their various divisions, sell off poor-performing businesses, downsize operations, subcontract noncritical services and operations to other organizations, and replace permanent employees with temporary workers.

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.

10. Stimulating Innovation and Change

Whatever happened to Montgomery Ward, Woolworth, Smith Corona, and Eastern Airlines? All these giants went bust. Why have other giants, such as Sears, Boeing, and Lucent Technologies implemented huge cost-cutting programs and eliminated thousands of jobs? To avoid going bust.

Today's successful organizations must foster innovation and master the art of change or they'll become candidates for extinction. Victory will go to the organizations that maintain their flexibility, continually improve their quality, and beat their competition to the marketplace with a constant stream of innovative products and services. Domino's single-handedly brought on the demise of thousands of small pizza parlors whose managers thought they could continue doing what they had been doing for years. Amazon.com is putting a lot of independent bookstores out of business as it proves you can successfully sell books from an Internet Web site. Fox Television successfully stole a

major portion of the axe, under-25 viewing audience from their larger network rivals through longer innovative programming such as The Simpson and The X-Files.

An organization's employees can be the impetus for innovation Post- and change or they can be a major stumbling block. The challenge for KI some managers is to stimulate their employees' creativity and tolerance for rapers. change. The field of OB provides a wealth of ideas and techniques to aid in realizing these goals.

11. Helping Employees Balance Work/Life Conflicts

The typical employee in the 1960s or 1970s showed up at the workplace Monday through Friday and did his or her job in 8- or 9-hour chunks of time. The workplace and hours were clearly specified. That's no longer true for a large segment of today's workforce. Employees are increasingly complaining that the line between work and nonwork time has become blurred, creating personal conflicts and stress?

A number of forces have contributed to blurring the lines between employees' work life and personal life. First, the creation of global organizations means their world never sleeps. At any time and on any day, for instance, thousands of General Electric employees are working somewhere. The need to consult with colleagues or customers 8 or 10 time zones away means that many employees of global firms are on call 24 hours a day. Second, communication technology allows employees to do their work at home, in their cars, or on the beach in Tahiti. This lets many people in technical and professional jobs do their work any time and from any place. Third, organizations are asking employees to put in longer hours. For instance, between 1977 and 1997, the average American workweek increased from 43 to 47 hours; and the number of people working 50 or more hours a week jumped from 24 percent to 37 percent. Finally, fewer families have only a single breadwinner. Today's married employee is typically part of a dual-career couple. This makes it increasingly difficult for married employees to find the time to fulfill commitments to home, spouse, children, parents, and friends.

Employees are increasingly recognizing that work is squeezing out personal lives and they're not happy about it. For example, recent studies suggest that employees want jobs that give them flexibility in their work schedules so they can better manage work/life conflicts. In addition, the next generation of employees is likely to show similar concerns. A majority of college and university students say that attaining a balance between personal life and work is a primary career goal. They want "a life" as well as a job. Organizations that don't help their people achieve work/life balance will find it increasingly hard to attract and retain the most capable and motivated employees.

As you'll see in later chapters, 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.

12. Improving Ethical Behaviour

In an organizational world characterized by cutbacks, expectations of increasing worker productivity, and tough competition in the marketplace, It's not altogether surprising that many employees feel pressured to cut corners, break rules, and en-gage in other forms of questionable practices.

Members of organizations are increasingly finding themselves facing **ethical dilemmas**, situations in which they are required to define right and wrong conduct. For example, should they "blow the whistle" if they uncover illegal activities taking place in their company? Should they follow orders with which they don't personally agree? Do they give an inflated performance evaluation to an employee whom they like, knowing that such an evaluation could save that employee's job? Do they allow themselves to "play politics" in the organization if it will help their career advancement?

What constitutes good ethical behaviour has never been clearly defined. And, in recent years, the line differentiating right from wrong has become even more blurred. Employees set, people all around them engaging in unethical practices—elected officials are indicted for padding their expense accounts or taking bribes; successful executives use insider information for personal financial gain;

university administrators look the other way” when a winning coach verbally abuses his athletes; and even the President of the United States distorts the truth under oath. They hear people, when caught, giving excuses such as “everyone does it,” or “you have to seize every advantage nowadays,” or “I never thought I’d get caught.”

Managers and their organizations are responding to this problem from a number of directions.’ They’re writing and distributing codes of ethics to guide employees through ethical dilemmas. They’re offering seminars, workshops, and similar training programs to try to improve ethical behaviours. They’re providing in-house advisors who can be contacted, in many cases anonymously, for assistance in dealing with ethical issues. And they’re creating protection mechanisms for employees who reveal internal unethical practices.

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 behaviours. In up: coming chapters, we’ll discuss the kinds of actions managers can take to create an ethically healthy climate and to help employees sort through ethically ambiguous situations. We’ll also present a number of exercises that will allow you to think through ethical issues and assess how you would handle them.

13. Emergence of E-organisation

E-Commerce: It refers to the business operations involving electronic mode of transactions. It encompasses presenting products on websites and filling order. The vast majority of articles and media attention given to using the Internet in business are directed at on-line shopping. In this process, the marketing and selling of goods and services are being carried out over the Internet.

E-business: It refers to the full breadth of activities included in a successful Internet based enterprise. As such, e-commerce is a subset of e-business. E-business includes developing strategies for running Internet-based companies, creating integrated supply chains, collaborating with partners to electronically coordinate design and production, identifying a different kind of leader to run a ‘virtual’ business, finding skilled people to build and

operate intranets and websites, and running the back room or the administrative side. E-business includes the creation of new markets and customers, but it's also concerned with the optimum ways to combine Computers, the Web and Application Software. A sizable number of multinational corporations are selling goods and services via the Internet.

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

Opportunities for Organisational Behaviour

1. Developing Skills: The intricate dance of organisational behaviour is pivotal in honing the skills of individuals, ultimately contributing to more effective management within the organisation. It sheds light on the specific skills employees can harness in their roles, delving into aspects like job design and the art of crafting cohesive teams.

2. Navigating Diversity in the Workforce: Picture the organisation as a canvas, woven with a rich tapestry of diversity, race, gender, age, personality, communication style, occupation, organisational function, education, and background. Organisational behaviour steps in as a guiding compass, skillfully navigating the complex nuances of these differences. It not only identifies but also charts effective strategies to address and harmonise the challenges that arise from this diverse mosaic.

3. Enhancing Customer Service: Organisational behaviour serves as a backstage pass, offering glimpses into the desires of our customers, their preferences, timing, and expectations. This deep understanding becomes the cornerstone for elevating the value we provide to customers, refining our service delivery, and subsequently breathing life into business improvement.

4. Improving Quality and Productivity: Quality and productivity stand as pillars of competitiveness, especially in economies with an open market ethos. Organisational behaviour goes beyond merely observing individual behaviour; it casts its net over tasks, streamlining regulations and processes within the organisation to maximise efficiency.

5. Adapting to Globalisation: The global stage is now commonplace for businesses, facilitated largely by the interconnected world of the Internet. Organisational behaviour is the linchpin that enables this global dance. Beyond deciphering individual behaviours, it dives into understanding cultures, a crucial aspect influencing global business dynamics. This nuanced understanding aids in navigating the diverse landscapes of sellers, customers, and their purchasing choices.

6. Fostering Innovation and Embracing Change: In the ever-evolving landscape of successful organisations, innovation and adaptability reign supreme. Organisational behaviour, with its insightful grasp of people's behaviour and overarching cultures, becomes the catalyst for stimulating innovation and driving change. This understanding fuels the dynamic process of developing products aligned with market demands.

7. Conflict Resolution: The tools provided by organisational behaviour are crucial for comprehending and addressing conflicts within an organisation. Quick conflict resolution is key to enhancing relationships, fostering teamwork, and ensuring smooth operations.

8. Talent Retention: A positive work environment fostered by organisational behaviour aids in retaining skilled employees. The organisation's care for their well-being and provision of a conducive work environment motivate employees and increase their commitment. This reduces employee turnover and cuts down on recruitment and training expenses.

9. Leadership Development: Organisational behaviour assists in identifying various leadership styles and determining which are most suitable for a particular organisation. It equips leaders with the necessary skills and tools, helping them to motivate and inspire their teams effectively.

10. Improved Decision Making: Organisational behaviour plays a key role in improving an organisation's decision-making process. By obtaining some meaningful insights concerning social and psychological aspects that influence decision-makers, decisions can be made more effectively. This approach helps us to remove any biasing possibility in the decision-making process.

CHECK YOUR PROGRESS

Fill in the blanks

- (i) refers to the business operations involving electronic mode of transactions.
- (ii) E-organisations embrace and _____
- (iii) and are the main challenges for the organizations in the present context

5.3 OB MODELS

We conclude this lesson by presenting a general model that defines the field of OB, stakes out its parameters, and identifies its primary dependent and independent variables. The end result will be a “coming attraction” of the topics making up the remainder of this book.

An Overview

A **model** is an abstraction of reality, a simplified representation of some real-world phenomenon. A mannequin in a retail store is a model. So, too, is the accountant's formula: $\text{Assets} + \text{Liabilities} = \text{Owners' Equity}$. Exhibit 1-6 presents the skeleton on which we will construct our OB model. It proposes that there are three levels of analysis in OB and that, as

we move from the individual level to the organization systems level, we add systematically to our understanding of behaviour 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 behaviour.

1. The Dependent Variables

- **Dependent variables** are the key factors that you want to explain or predict and that are affected by some other factor. What are the primary dependent variables in OB? Scholars have historically tended to emphasize productivity, absenteeism, turnover, and job satisfaction. More recently, a fifth variable—organizational citizenship—has been added to this list. Let's briefly review each of these variables to ensure that we understand what they mean and why they've achieved their level of distinction.

Productivity An organization is productive if it achieves its goals and does so by transferring Inputs to outputs at the lowest cost. As such, **productivity** implies a concern for both **effectiveness** and **efficiency**.

For example, a hospital, is effective when it successfully meets the needs of its clientele. It is efficient when it can do so at a low cost. If a hospital manages to achieve higher output from its present staff by reducing the average number of days a patient is confined to a bed or by increasing the number of staff-patient contacts per day, we say that the hospital has gained productive 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 dollar of sales, and output per hour of labor.

We can also look at productivity from the perspective of the individual employee. Take the cases of Mike and Al, who are both long-distance truckers. If Mike is supposed to haul his fully loaded rig from New York to its destination in Los Angeles in 75 hours or less, he is effective if he makes the 3,000-mile trip within that time period. But measures of productivity must take into account the costs incurred in reaching the goal. That's where efficiency comes in. Let's assume that Mike made the New York to, Los Angeles run in 68 hours and averaged 7 miles per gallon. Al, on the other hand, made the trip in 68 hours

afro but averaged 9 miles per gallon (rigs and loads are identical). Both Mike and Al were effective—they accomplished their goal—but Al was more efficient than Mike because his rig consumed less gas and, therefore, he achieved his goal at a lower cost.

Organizations in service industries need to include additionally “attention to customer needs and requirements” in assessing their effectiveness. Why? Because in these types of businesses, there is a clear chain of cause-and-effect running from employee attitudes and behaviour to customer attitudes and behaviour to an organization’s revenues and profits. Sears, in fact, has carefully documented this chain.’ The company’s management found that a 5 percent improvement in employee attitudes leads to a 1.3 percent increase in customer satisfaction, which in turn translated into a 0.5 percent improvement in revenue growth. More specifically, Sears found that by training employees to improve the employee-customer interaction, it was able to improve customer satisfaction by 4 percent over a 12-month period, which generated an estimated \$200 million in additional revenues.

In summary, one of OB’s major concerns is productivity. We want to know what factors will influence the effectiveness and efficiency of individuals, of groups, and of the overall organization.

- **Absenteeism:** **Absenteeism** is the failure to report to work. Its annual cost has been estimated at over \$40 billion for U.S. organizations and \$12 billion for Canadian firms. In Germany, absences cost industrial firms more than 31 billion euros (approximately US. \$31 billion) each year? At the job level, a one-day absence by a clerical worker can cost a U.S. employer several hundred dollars in reduced efficiency and increased supervisory workload. These figures indicate the importance to an organization of keeping absenteeism low.

It’s obviously difficult for an organization to operate smoothly and to attain its objectives if employees fail to report to their jobs. The work flow is disrupted, and often important decisions must be delayed. In organizations that rely heavily on assembly-line production, absenteeism can be considerably more than a

disruption; it can result in a drastic reduction in the quality of output, and, in some cases, it can bring about a complete shutdown of the production facility. But levels of absenteeism beyond the normal range in any organization have a direct Impact on that organization's effectiveness and efficiency.

Are all absences bad? Probably not. Although most absences have a negative impact on the organization, we can conceive of situations in which the organization may benefit by an employee's voluntarily choosing not to come to work. For instance, illness, fatigue, or excess stress can significantly decrease an employee's productivity. In jobs in which an employee needs to be alert—surgeons and airline pilots are obvious examples—it may well be better for the organization if the employee does not report to work rather than show up and perform poorly. The cost of an accident in such jobs could be prohibitive. Even in managerial jobs, where mistakes are less spectacular, performance may be improved when managers absent themselves from work rather than make a poor decision under stress. But these examples are clearly atypical. For the most part, we can assume that organizations benefit when employee absenteeism is low.

- **Turnover** Turnover is the voluntary and involuntary permanent withdrawal from an organization. A high turnover rate results in increased recruiting, selection, and training costs. What are those costs? They're higher than you might think. For instance, the cost for a typical information-technology company in the United States to replace a programmer or systems analyst has been put at \$34,100; and the cost of a retail store to replace a lost sales clerk has been calculated at 510,445.3°. In addition, a high rate of turnover can disrupt the efficient running of an organization when knowledgeable and experienced personnel leave and replacements must be found and prepared to assume positions of responsibility. Most organizations, of course, have some turnover. In fact, if the 'right' people are leaving the organization—the marginal and submarginal employees—turnover can be positive. It may create the opportunity to replace an underperforming individual with someone who has higher skills or motivation, open up increased opportunities for promotions, and add new and fresh ideas to the organization." In today's changing world of

work, reasonable levels of employee-initiated turnover facilitate organizational flexibility and employee independence, and they can lessen the need for management-initiated layoffs. But turnover often involves the loss of people the organization doesn't want to lose. For instance, one study covering 900 employees who had resigned their jobs found that 92 percent earned performance ratings of "satisfactory" or better from their superiors. So when turnover is excessive, or when it involves valuable performers, it can be a disruptive factor, hindering the organization's effectiveness.

- **Organizational Citizenship behavior : Organizational citizenship** is discretionary behaviour that is not part of an employee's formal job requirements, but that nevertheless promotes the effective functioning of the organization.

Successful organizations need employees who will do more than their usual job duties—who will provide performance that is beyond expectations. In today's dynamic workplace, where tasks are increasingly done in teams and where flexibility is critical, organizations need employees who'll engage in "good citizenship" behaviours such as making constructive statements about their work group and the organization, helping others on their team, volunteering for extra job activities, avoiding unnecessary conflicts, showing care for organizational property, respecting the spirit as well as the letter of rules and regulations, and gracefully tolerating the occasional work-related impositions and nuisances.

Organizations want and need employees who will do those things that aren't in any job description. And the evidence indicates that the organizations that have such employees outperform those that don't. As a result, OB is concerned with organizational citizenship behaviour (OCB) as a dependent variable.

- **Job Satisfaction** The final dependent variable we will look at is job satisfaction, which we define simply, at this point, as an individual's general attitude toward his or her job. (We expand considerably on that definition in Chapter 34) Unlike the previous four variables, job satisfaction represents an attitude rather than a behaviour. Why, then, has it become a primary dependent

variable? For two reasons: its demonstrated relationship to performance factors and the value preferences held by many OB researchers.

The belief that satisfied employees are more productive than dissatisfied employees has been a basic tenet among managers for years. Although much evidence questions that assumed causal relationship, it can be argued that advanced societies should be concerned not only with the quantity of life—that is, concerns such as higher productivity and material acquisitions—but also with its quality. Those researchers with strong humanistic values argue that satisfaction is a legitimate objective of an organization. Not only is satisfaction negatively related to absenteeism and turnover, but, they argue, organizations have a responsibility to provide employees with jobs that are challenging and intrinsically rewarding. Therefore, although job satisfaction represents an attitude rather than a behaviour, OB researchers typically consider it an important dependent variable.

2. The Independent Variables

What are the major determinants of productivity, absenteeism, turnover, OCR, and job satisfaction? Our answer to that question brings us to the **independent variables**. Consistent with our belief that organizational behaviour can best be understood when viewed essentially as a set of increasingly complex building blocks, the base, or first level, of our model lies in understanding individual behaviour.

- **Individual-Level Variables** It has been said that “managers, unlike parents, must work with used, not new, human beings—human beings whom others have gotten to first.” When individuals enter an organization, they are a bit like used cars. Each is different. Some are “low-mileage”—they have been treated carefully and have had only limited exposure to the realities of the elements. Others are “well worn,” having been driven over some rough roads. This metaphor indicates that people enter organizations with certain characteristics that will influence their behaviour at work. The more obvious of these are personal or biographical characteristics such as age, gender, and marital status; personality characteristics; an inherent emotional framework;

values and attitudes; and basic ability levels. These characteristics are essentially intact when an individual enters the workforce, and, for the most part, there is little management can do to alter them. Yet they have a very real impact on employee behaviour.

There are four other individual-level variables that have been shown to affect employee behaviour: perception, individual decision making, learning, and motivation

- 1 **Group-Level Variables** The behaviour of people in groups is more than the sum total of all the individuals acting in their own way. The complexity of our model is increased when we acknowledge that people's behaviour when they are in groups is different from their behaviour when they are alone. Therefore, the next step in the development of an understanding of OR is the study of group behaviour.
- 2 **Organization Systems Level Variables** Organizational behaviour reaches its highest level of sophistication when we add formal structure to our previous knowledge of individual and group behaviour. Just as groups are more than the sum of their individual members, so are organizations more than the sum of their member groups. The design of the formal organization, work processes, and jobs; the organization's human resource policies and practices (that is, selection processes, training programs, performance evaluation methods); and the internal culture all have an impact on the dependent variables.
- 3 **Toward a Contingency OB Model** Our Final model is shown in Exhibit 5.4 It shows the five key dependent variables and a large number of independent variables, organized by level of analysis, that research indicates have varying effects on the former. As complicated as this model is, it still does not do justice to the complexity of the OB subject matter, but it should help explain why the chapters in this book are arranged as they are and help you to explain and predict the behaviour of people at work. For the most part, our model does not explicitly identify the vast number of contingency variables because of the tremendous complexity that would be involved in such a diagram. Rather,

throughout this book we will introduce important contingency variables that will improve the explanatory linkage between the independent and dependent variables in our OB model.

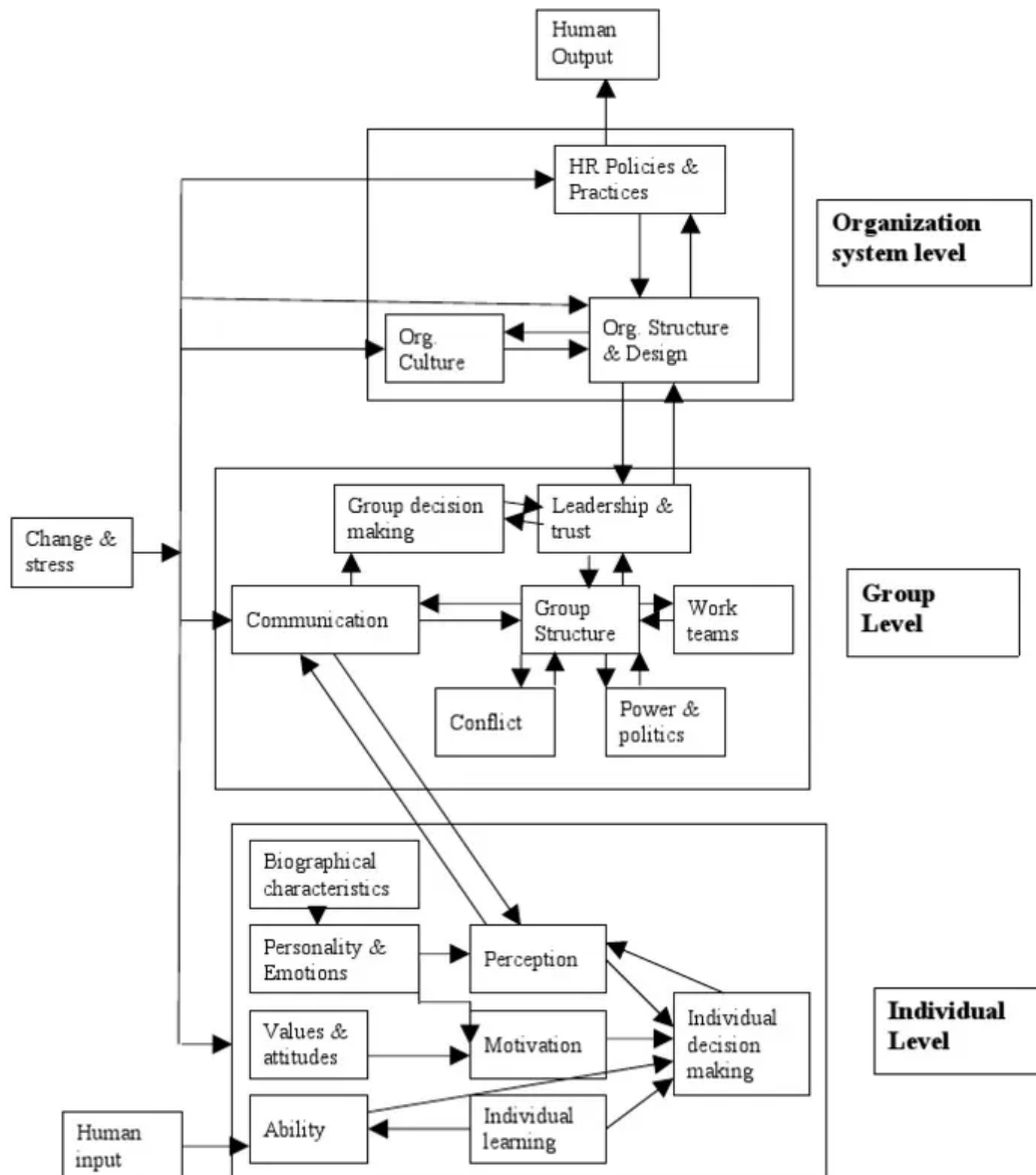


Figure : 5.4

process, ways to manage organizational change, key change issues currently facing managers, consequences of work stress, and techniques for managing stress.

Also note that Exhibit includes linkages between the three levels of analysis. For instance, organizational structure is linked to leadership. This link is meant to convey that authority and leadership are related; management exerts its influence on group behaviour through leadership. Similarly, communication is the means by which individuals transmit information; thus, it is the link between Individual and group behaviour.

- **IMPLICATIONS FOR MANAGERS**

Managers need to develop their interpersonal or people skills if they are going to be effective in their jobs. Organizational behaviour (OB) is a field of study that Investigates the impact that individuals, groups, and structure have on behaviour within an organization, and then it applies that knowledge to make organizations work more effectively. Specifically, OB focuses on how to improve productivity, reduce absenteeism and turnover, and increase employee citizenship and job satisfaction. We all hold generalizations about the behaviour of people. Some of our generalizations may provide valid insights into human behaviour, but many are erroneous. Organizational behaviour uses systematic study to improve predictions of behaviour that would be made from intuition alone. But, because people are different, we need to look at OB in a contingency framework, using situational variables to moderate cause-and-effect relationships. Organizational behaviour offers both challenges and opportunities for managers. It offers specific insights to improve a managers people skills. 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 can Improve quality and employee productivity by showing managers how to empower their people, design and Implement change programs, and help employees balance work/life conflicts. It provides suggestions for helping managers meet chronic labor shortages. It can help managers to cope in a world of temporariness and to learn ways to stimulate innovation. Finally, OB can offer managers guidance in creating an ethically healthy work climate.

5.4 LETUS SUM UP

The different models of man and individual differences have been clearly explained in this lesson. We know that nature of individual behaviour is complex. Thus it should be studied minutely and thoroughly by taking a total man concept. This individual behaviour causes difference in behaviour which have been studied through models of man.

5.5 GLOSSARY

- Rational man- oldest model of man
- Individual differences- types of individual behaviour.

5.6 SELFASSESSMENT QUESTIONS

1. What do you mean by organization citizenship behaviour ?

2. Differentiate between Dependent and Independent Variables .

5.7 LESSON END EXERCISE

1. Explain the managerial implication of individual differences.

2. Discuss any two models of man.

Answers to check your progress

- A. (i) electronic commerce
(ii) diversity, inclusion

5.8 SUGGESTED READINGS

1. P. Subba Rao, Organisational behaviour, Himalaya Publishing House, Indore, M.P., 12th March 2017
2. Stephen P. Robbins, Timothy A. Judge, Neharika Vohra, Organisational behaviour, Pearson, India Education Services Pvt. Ltd., 2018.
3. K. Aswathappa, G. Sudarsana Reddy, Management and Organisational Behaviour, Himalaya Publishing House, 2020.
4. Fred Luthans, Organisational Behaviour, McGraw Hill Companies, 2005.
5. R.R. Kapoor, Organisational Behaviour, Black & Black, 2024.

M.Com 1st Sem

Course No M.Com C 152

Unit II

Lesson No. 6

PERCEPTION

STRUCTURE :

- 6.0 Learning Objectives and Learning outcomes
- 6.1 Introduction
- 6.2 Concept of Perception
- 6.3 Importance of Perception
- 6.4 Perception and Sensation
- 6.5 Let us sum up
- 6.6 Glossary
- 6.7 Self Assessment Questions
- 6.8 Lesson End Exercise
- 6.9 Suggested Readings

6.1 INTRODUCTION

Everything about yourself affects how you see things in your day to day life.

Your beliefs, your attitudes, your experiences all shift your point of view in a way that is specific to you. This can sometimes be a good thing as a different perspective on a topic or task which can allow group members to find multiple solutions. However, it can be negative if your perception of things begins to cloud your judgement or is severely altered from what it should be. While you do have some degree of control over your own perception and attribution towards things usually by making a conscious effort to take a second look you cannot control the perception and attribution of others.

Perception affects the outcome of behaviour because people act on the basis of what they see. Henceforth in understanding behaviour the managers must recognize the fact that what people do not perceive as meaningful will not influence their behaviour. Whereas facts that individual believe to be real, though factually it may be incorrect, will influence it. Thus perception is a process by which individuals Organise and interpret their sensory impressions in order to give meaning to their environment.

6.0 LEARNING OBJECTIVES :

- (i) To impart knowledge about the concept of perception
- (ii) To explain the importance of perception.
- (iii) To differentiate between perception and sensation.

LEARNING OUTCOMES

The lesson on perception will help you to :

- (i) explain the meaning of perception
- (ii) aquiant about the importance of perception
- (iii) describe difference between perception and sensation

6.2 CONCEPT OF PERCEPTION

In terms of S-O-B-C model of human behaviour, perception is a cognitive the O (organism) selecting, organizing, and interpreting the S (stimulus). Cognition is the mental process of knowing, including awarness perception, reasoning, and judgement. Thus, perception is the process through which an individual organises and interprets

his sensory impressions to give meaning to his environment. Based on this definition, we may derive the following features of perception.

1. Perception is an intellectual process through which an individual selects the data from the environment, Organises it and obtains the meaning from it. The physical process of obtaining data from environment, known as sensation, is distinct from it.
2. Perception is the basic cognitive or psychological process. The manner in which an individual perceives the environment affects his behaviour. Thus, people's actions, emotions, thoughts, or feelings are triggered by their surroundings.
3. Perception, being an intellectual and psychological process becomes a subjective process and different people may perceive the same environmental event differently based on what particular aspects of the situation they choose to absorb, how they Organise this information and the manner in which they interpret to obtain the grasp of the situation. Thus, the subjectively perceived 'reality' in a given situation may be different for different people.

There are two types of perception based on the type of stimuli processed internal and external. Internal perception (pro-perception) tells us what is going on in our bodies. We can sense whether we are hungry, tired, or similar such phenomena. External perception (extero-perception) tells us about the environment beyond our bodies. By using our senses of sight, hearing touching, etc., we perceive our environment. In Organisational behaviour external perception is studied and only the term perception is used without prefixing the word external with perception. Our definition of perception is in this context.

6.3 IMPORTANCE OF PERCEPTION

Perception affects the outcome of behaviour. This is so because people act on the basis of what they see hence in understanding behaviour the managers must recognize that facts people do not perceive as meaningful usually will not influence

their behaviour whereas the things they believe to be real though factually incorrect or non-existent will influence it. Thus, the understanding of perception particularly in the Organisational setting is important in understanding and controlling the behaviour. In an Organisational setting perception is important in various activities. However there are three major areas which require special attention so far as the perceptual accuracy is concerned. These are interpersonal working relationship selection of new employees and performance appraisal.

1. **Interpersonal Working Relationship-** Organisations are intended to bring about integrated behaviour. Therefore managers in the Organisation need to know whether or not members share similar or at least compatible perceptions if they do not. The problems of the Organisation are greater and will require efforts to make perceptions more compatible. Misperceptions usually lead to strained relations and may even result in open conflict among people.
2. **Selection of Employees-** Organisations typically select new employees on the basis of selection tests, interviews, and reviews of the applicants backgrounds. In many instances, much of the information is vague and managers are subject to many of the perceptual problems when they make the selection decisions. The major areas of problems in this case are that (i) the managers' emotional state may vary from day to day causing unfair perceptions of the same applicants and (ii) there may be strong tendencies towards logical error and stereotyping specially during initial interviews.
3. **Performance Appraisal-** The appraisal of a subordinate's performance is highly affected by the accuracy of a manager's perceptions. The major areas of concern in this context are;
(i) managers may have tendencies to positively evaluate some employees because they are better liked or are on favoured tasks or are particularly noticeable and (ii) because of halo effect, performance evaluation will be affected adversely.

6.4 PERCEPTION AND SENSATION

Sometimes confusion arises between sensation and perception as both are the cognitive and both are beads of the same string. Behavioural scientists generally acknowledge that all knowledge of the world depends on the senses and their stimulation, but the facts of raw sensory data are insufficient to produce or to explain the coherent picture of the world as experienced by the normal person. In this context it is important to understand the difference between sensation and perception.

Sensation may be described as the response of a physical sensory organ. The physical senses are vision, hearing, touch, smell, and taste. These senses are bombard by stimuli continuously, both external and internal to human body, and reactions particular sense organ take place because of these. Examples of sensation may be reaction of eye to colour, ear to sound and so on. These examples show that sensation deals with very elementary behaviour that is largely determined by physiological functioning.

Perception is something more than sensation. It correlates integrates and comprehends diverse sensations and information from many organs of the body by means of which a person identifies things, objects, etc. that are related to sensation. Perception classifies the stimuli based on past experience (learning) feelings and motives. Thus perception is determined by both physiological and psychological characteristics of the organism. However, sensation only activates the organs of the body and is not affected by such psychological factors as learning, feelings, and motives. Thus, the distinction between sensation and perception is that the sensation refers to the action by a receptor when it is stimulated and perception refers to the meaning given to the sensation.

Based on these observations, distinction between sensation and perception may be made as follows :

1. Sensation is a simple mental process whereas perception is comparatively a complex mental process Perception is a complex process because it is affected by a number of variables.
2. By sensation the person just becomes cautious of the quality of stimulus he just becomes aware of the stimulus like colour, form, shape smell etc and by perception he derives meaning of the stimulus.
3. The person is comparatively inactive in sensation whereas he becomes more active in perception because he tries to know the meaning of sensation in this process.
4. Sensation may be considered as a part of perception because the former is the first stage of the latter. The first experience of stimulation is sensation and the process related to the distinct knowledge of stimulus is perception. Only our organs and nerves are active in sensation but all our body becomes active in perception.

6.5 LET US SUM UP

Perception is simply defined as how a person sees the world around them and how they interpret that information. It is a subconscious thing that the mind does and is contingent on one's ability to pay attention to one's surroundings and one's existing knowledge. The mind will occasionally filter information out, that is why one does not notice every single thing around us it would be a complete information overload otherwise.

6.6 GLOSSARY

- Perception- receiving information through sense
- Attribution- assigning a cause to information
- Sensation- response of a physical sensory organ

6.7 SELFASSESSMENT QUESTIONS

Name any five Applications of perception in the Organisation :

1. _____
2. _____
3. _____
4. _____
5. _____

6.8 LESSON END EXERCISE

Which of the following factors focuses on making attribution ? Tick mark the correct option (✓)

- 1 Consensus
- 2 Consistency
- 3 Distinctiveness
- 4 Stimuli
- 5 Closure

6.9 SUGGESTED READINGS

6. P. Subba Rao, Organisational behaviour, Himalaya Publishing House, Indore, M.P., 12th March 2017
7. Stephen P. Robbins, Timothy A. Judge, Neharika Vohra, Organisational behaviour, Pearson, India Education Services Pvt. Ltd., 2018.
8. K. Aswathappa, G. Sudarsana Reddy, Management and Organisational Behaviour, Himalaya Publishing House, 2020.
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PERCEPTUAL PROCESS

STRUCTURE

- 7.0 Learning Objectives and Learning outcomes
- 7.1 Introduction
- 7.2 Perceptual Process
- 7.3 Perceptual Selectivity
- 7.4 Distortion in Person's Perception
- 7.5 Managerial Implications of Perception
- 7.6 Developing Perceptual Skills
- 7.7 Let us sum up
- 7.8 Glossary
- 7.9 Self Assessment Questions
- 7.10 Lesson End Exercises
- 7.11 Suggested Readings

7.0 LEARNING OBJECTIVES

- (i) To familiarize the learners about the concept of perceptual process.
- (ii) To impart knowledge about the perceptual selectivity.
- (iii) To provide insight about the role of distortion in person's perception.

Learning Outcomes

This lesson on perception will further help you to :

- (i) explain the Perceptual process.
- (ii) know about the perceptual selectivity.
- (iii) describe distortion in person's perception.

7.1 INTROUCTION

In Organisational behaviour and business, perception often helps in shaping a person's personality and influences the person. These can affect how the person's responds to certain things like stressful situations, their performance at tasks, and even their creativity. For management, paying attention to personality traits in employees can help them determine the person's work ethics and strengths.

7.2 PERCEPTUAL PROCESS

Perception is a process consisting of several sub processes. We can take an "input through put output" approach to understand the dynamics of the perceptual process. This approach emphasizes that there is input which is processed and gives output. The stimuli in the environment, objects, events, or people can be considered as the perceptual inputs. The actual transformation of these inputs through the perceptual mechanism of selection, organisation, and interpretation can be treated as the throughputs, and the resultant opinions, feelings, attitudes, etc. which ultimately influence our behaviour can be viewed as the perceptual outputs. This simplified process of perception is presented in Figure 7.1.

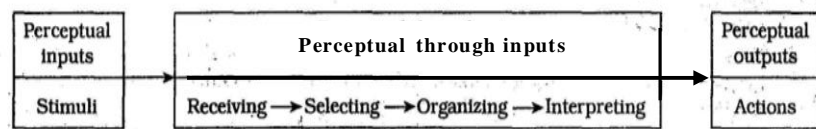


Figure 7.1

Figure 7.1 is a simplified version of perceptual process. It does not present the whole factors which go in input through input output process of perception. Figure 7.2 presents a comprehensive view of process of perception.

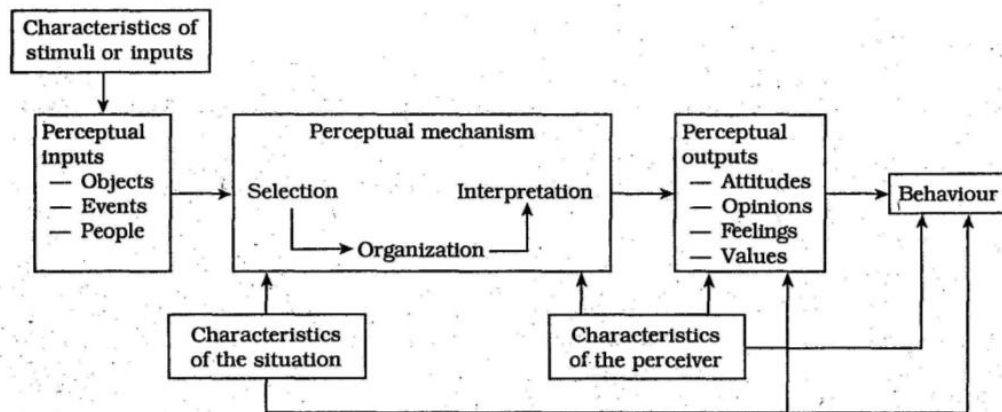


Figure 7.2

1. Perceptual Mechanism

Figure 7.2 of perceptual process presents three basic sub processes or elements of perception. These are existence of stimuli, perceptual mechanism, and perceptual outputs. Perceptual outputs along with other determinants of human behaviour affect and shape behaviour. Let us see how perceptual process works in terms of its three basic elements.

- **Perceptual Inputs**

Strictly speaking, perceptual inputs in the form of stimuli are not the part of actual

perceptual process though these are necessary for the occurrence of perception. Stimuli may be in the form of objects, events or people. Thus, everything in the setting where events occur, or which contributes to the occurrence of events, can be termed as perceptual input. Further, the characteristics of stimuli are important as these affect the extent to which the perceiver is attracted to these which affects the selection of stimuli for perception along with other variables affecting selection of stimuli like perceiver characteristics and situational variables. When the perceiver interacts with a stimulus, sensation takes place, which we have seen earlier, and starts perceptual process. Perceptual mechanism involves three elements-selection of stimuli, Organisation of stimuli and interpretation of stimuli

1. **Selection of Stimuli**-After receiving the stimuli from the environment, some are selected for further processing while others are screened out because it is not possible for a person to select all stimuli which he sees in the environment. There are two factors which affect selection of stimuli. These are external and related to stimuli and internal related to the perceiver. These external and internal factors are of several types. We shall discuss these factors and their impact on the selection of stimuli in the subsequent section of this chapter dealing with perceptual selectivity.
2. **Organisation of Stimuli**-After the stimuli are received these are Organised in some form in order to make sense out of that. The various forms of organising stimuli are figure-ground grouping simplification and closure. We shall discuss the impact of these factors on perception in the section that follows perceptual selectivity.
3. **Interpretation of Stimuli**- The perceptual inputs that have been Organised will have to be interpreted by the perceiver so that he can sense and extract some meaning of what is going on in the situation. People interpret the meaning of what they have selectively perceived and Organised in terms of their own assumptions of people things and situations. They also become judgmental as well and tend to interpret the things as good/bad, beautiful/ugly and so on which are quite relative terms. In such a process there are chances of misinterpretation. Interpretation of stimuli is affected by characteristics of stimuli

situations under which perception takes place and characteristics of the perceiver. These factors also affect the total perceptual process. For example, as discussed earlier, the characteristics of stimuli affect their selection for perception. At the same time these may affect the interpretation also. Similarly the physical social and Organisational settings in which an object is perceived also affect the interpretation. In interpreting the stimuli, the perceiver may commit mistake in perceiving because of several reasons. This aspect will be discussed in the section that follows perceptual Organisation.

- **Perceptual Outputs**

Based on perceptual mechanism which ends with interpretation of stimuli, perceptual outputs emerge. These outputs may be in the form of covert actions like development of attitudes, opinions, beliefs, impression about the stimuli under consideration. These outputs along with other factors affecting human behaviour may result in overt behaviour. For overt behaviour to occur, perception is not the sole decider though it is important. For example, when a person sees an advertisement of a product (stimulus), he may perceive that the product is good. This perception, however, may not be enough for the person to buy the product (overt behaviour). The actual buying may depend on the availability of the product, perceiver's need for product, and his propensity and capacity to spend money for buying the product. There are various factors which affect three elements of perceptual process-perceptual inputs, perceptual mechanism, and perceptual outputs.

7.3 PERCEPTUAL SELECTIVITY

While discussing the perceptual process, we have mentioned that perception is a selective process and as the people can sense only limited amount of information in the environment, they are characteristically selective. By selection, certain aspects of stimuli are screened out and others are admitted. Those which are admitted remain in the awareness of the people and those which are screened out fall below the threshold. For example, when we read a newspaper, we do not read the entire newspaper but only those news which interest us. Similar things happen in other cases too. This is

known as perceptual selectivity. This is caused by a variety of factors which may be grouped into two categories: external and internal.

External Factors in Perceptual Selectivity

The external factors consist of environmental influences and are in the form of the characteristics of perceptual inputs or stimuli. These characteristics may distinguish a particular stimulus from other stimulus of the same group. Such characteristics may be in the form of size, intensity, repetition, novelty and familiarity, contrast, and motion. Their impact on the perceptual selectivity is as follows:

1. **Size-** Size is a characteristic which may affect the perceptual selectivity by affecting the attraction of the perceiver. Generally bigger the size of perceived stimulus, higher is the probability that it attracts the attention of the perceiver and he may select it for perception. Usually letters of higher sizes in newspapers or books are first selected for reading.
2. **Intensity-** The intensity principle of attention states that the more intense the external stimulus is, the more likely it is to be perceived. A loud sound, strong odour or bright light is noticed more as compared to a soft sound, weak odour, or dim light. For example, based on the intensity principle, commercials on televisions are slightly louder than the regular programmes.
3. **Repetition-** The repetition principle states that a repeated external stimulus is more attention getting than a single one. Repetition increases people's sensitivity or alertness to the stimulus. Advertisers use this principle by repeated advertisement of the same product to attract people's attention. In the Organisational context, repeated instruction, even for the routine work, is based on this principle.
4. **Novelty and Familiarity-** Novelty and familiarity principle states that either a novel or a familiar external situation can serve as attention getter. New objects or events in a familiar setting, or familiar objects or events in new setting draw better attention. For example in job rotation when workers jobs are changed from time to time they become more attentive to their new jobs as compared

to the previous ones. Similarly, communication in familiar jobs attracts more attention.

5. **Contrast-** The contrast principle states that external stimuli which stand against or which are not what people are expecting, receive more attention. Letters of bold types, persons dressed differently than others, buildings of different colours in the same locality, etc. get more attention. Contrast is a kind of uniqueness which can be used for attention getting.
6. **Motion-** Motion principle states that a moving object draws more attention as compared to a stationary object. For example workers may pay more attention to the materials being moved by them on a conveyor belt as compared to the maintenance needs of a machine lying next to them. Advertisers use this principle in their advertising by designing signs which incorporate moving parts, for example, commercials on televisions (moving ones) get more attention than print media.

All these factors are related to stimuli. While these factors affect perceptual selectivity, their uses should be made properly, otherwise, negative consequences may emerge. For example, the principle that the louder sound attracts more attention may make a supervisor in a factory to believe that if he speaks loudly to his workers, they will pay more attention. However, by speaking loudly, the supervisor may actually be turning the workers off instead of getting their attention. This phenomenon may be true in the case of other factors too.

Internal Factors in Perceptual Selectivity

While external factors are related to environmental stimuli internal factors are related to the individual complex psychological makeup. People generally select those stimuli and situations from the environment that appeal to or are compatible to their personality motivation and of personal factors. There are a number of such factors self-concept beliefs, expectations, inner response disposition response salience and perceptual defence which affect the stimuli which do not suit the people. A brief description of their impact on perceptual selectivity is given below;

1. **Self-Concept-** The way a person views the world depends a great deal on the concept he has about himself. This concept plays an internal role in perceptual selectivity. It can be thought of as an internal form of attention getting and is largely based on the individual's complex psychological makeup. Knowing oneself makes it easier to see others accurately. People's own characteristics affect the characteristics which they are likely to see in others. They select only those aspects which they find match with their characteristics.
2. **Beliefs-** A person's beliefs have profound influence on his perception. Thus a fact is conceived not on what it is but what a person believes it to be. The individual normally censors stimulus inputs to avoid disturbance of his existing beliefs. This is referred to as maintenance of cognitive consistency. Thus (1) an individual self censors his mistakes of communications so as to shield his beliefs and practices from attack and (2) he seeks out communications which support his beliefs and practices. The latter is particularly true when the beliefs and practices in question have undergone attack in the past.
3. **Expectations-** Expectations affect what a person perceives. Expectations are related with the state of anticipation of a particular behaviour from a person. Even in the organisational setting expectations affect people's perception. Thus a technical manager may expect ignorance about the technical features of a programme from non-technical people, or union officials use rough language. Such expectations may affect the perception. Though such expectations may change because of direct contact and expectations may fall near actual but a mental set about beliefs, expectations, and values affect perception and may be lasting and difficult to change.
4. **Inner Needs-** People's perception is determined by their inner needs. The need is a feeling of tension or discomfort when one thinks he is missing something or when he feels he has not quite closed a gap in his knowledge. People with different needs usually experience different stimuli. Similarly, people with different needs select different items to remember or respond to. When people are not able to satisfy their needs they are engaged in wishful thinking which is a way to satisfy the needs not in the real world but in the imaginary world,

the day dreaming. According to Freud wishful thinking is the means by which the id a part of personality attempts to achieve tension reduction. In such cases people will perceive only those items which are consistent with their wishful thinking.

5. **Response Disposition-** Response disposition refers to a person's tendency to perceive familiar stimuli rather than unfamiliar ones. Thus, a person will perceive the things with which he is familiar. For example, persons having a particular value take lesser time in recognizing the words having implications in the area of that value, but take longer time in recognizing the words not associated with value. In an experiment, persons having dominant religious value took lesser time in recognizing such related words as 'priest' or 'minister' whereas they took longer time in recognizing words related with economic value, such as 'cost' or 'price'.
6. **Response Salience-** Response salience is the set of dispositions which are determined not by the familiarity of the stimulus situations, but by the person's own cognitive predispositions. Thus a particular problem in an Organisation may be viewed as a marketing problem by marketing personnel a control problem by accounting people and human relations problem by personnel people. It indicates that type of response salience which people have affects their perception. The reason for this phenomenon lies in the background of the people for which they are trained They are trained to look at the situation from one point of view only, not from other points of view.
7. **Perceptual Defence-** Perception defence refers to the screening of those elements which create conflict and threatening situation in people They may even perceive other factors to be present that are not a part of the stimulus situation. Perceptual defence is performed by denying the existence or importance of conflicting information, distorting the new information to match the old one or acknowledging the new information but treating it as a non-representative exception. There are empirical evidences that suggest the existence of perceptual defence mechanism. On the basis of these empirical evidences the following conclusions are derived :

- i). Emotionally disturbing information has a higher threshold for recognition than neutral or non-disturbing information.
 - ii). Disturbing information is likely to bring about substitute perceptions which are distorted to prevent recognition of disturbing elements. Emotional arousing information actually does arouse emotion even though the emotion is distorted and directed elsewhere.
8. **Proximity-** The proximity or nearness principle of grouping states that a group of stimuli that are close together will be perceived as a whole of parts or pattern of parts belonging together. For example, all employees working in a particular department may be grouped together because of physical proximity and are perceived as such. Thus, if the output of the department is unsatisfactory, all persons may be perceived as inefficient, though some of them may be very efficient.
 9. **Similarity-** The principle of similarity states that the greater the similarity, greater is the tendency to perceive them as a common group. While proximity principle is based on the nearness, similarity principle is based on the similar features of various stimuli irrespective of nearness. For example, all the workers may be perceived to have the same opinions about the management because they are grouped together on the basis of similarity.
 10. **Simplification-** Whenever people are overloaded with information, they try to simplify it to make it, more meaningful and understandable. In the process of simplification, the perceiver concentrates less on salient information and concentrates on important one. Simplification makes the things more understandable because the perceiver has been able to reduce the complexity by eliminating some of the things which are less important.
 11. **Closure-** When faced with incomplete information, people fill up the gaps themselves to make the information meaningful. This may be done on the basis of past experience, past data, or hunches. For example in many advertisements, alphabets are written by putting electric bulbs indicating the shape of the concerned alphabets but broken lines. In such cases, people

tend to fill up the gap among different bulbs to get meaning out of these. In the Organisational context, managers may not have all relevant information about a matter on which they have to make decisions. In such a case, they make certain assumptions about the information and decide accordingly. For example when managers have to make promotion decisions they may not have complete information about the suitability of an employee for a higher position. In such cases, they rely more on the past records of the employee. If he has done well in the past, he is perceived to do equally qualified for higher position though the requirements of the higher position may be totally different and the incumbent may not do as well.

- 12. Interpersonal Perception-** This happens in organisational setting too. For example, a new employee who joins on probation and put in a work group having interdependent work among group members, may treat his immediate superior as figure and group cooperation as ground. With the result, the employee will concentrate on his own good performance to please the boss instead of contributing to the group efforts to achieve group performance target. The grouping principle of perceptual organisation states that there is a tendency, to group several stimuli into recognizable pattern. There are certain underlying uniformities in grouping. People generally group various stimuli on the basis of proximity or similarity.

In person perception, there are many more factors which affect the correctness or incorrectness of perception. Individuals in the Organisations constantly perceive one another. Managers perceive workers, worker perceive managers, superiors perceive subordinates, subordinates perceive superiors, people perceive staff people, staff people perceive line people and so on.

A. CHECK YOUR PROGRESS

Match the following

- | | |
|-------------------|-----------------------------------|
| (i) Size | (a) external factor of perception |
| (ii) Repetition | (b) internal factor of perception |
| (iii) Beliefs | (c) external factor of perception |
| (iv) Expectations | (d) internal factor of perception |

7.4 DISTORTION IN PERSON'S PERCEPTION

Person perception is a more complex process as compared to object perception because of involvement of many factors. Some of these factors lie in the perceiver himself while some factors lie in the person being perceived and the situation under which the perception takes place. With the result distortion in person perception a phenomenon of misperception occurs. Thus the factors which lead to distortion in person perception may be grouped into three categories:

- 1 Factors in perceiver.
2. Factors in perceived.
3. Situational factors.

1. FACTORS IN PERCEIVER

We have seen earlier that the perceiver plays a key role in perceptual process, particularly in perceptual selectivity and how he organises various stimuli that are selected for perception. This phenomenon is true for person perception too. However since in person perception the person being perceived is the target of perception and may be as complex as the perceiver himself may be. Two characteristics of the perceiver play crucial role. These are the perceiver's personality and his mental set. Depending on the perceiver's characteristics he follows attribution and shortcuts in perception in the form of first impression, halo effect and stereotyping. These attribution and shortcuts result in distortion of the perception. Before going through the discussion of these let us go through the discussion of how the perceiver's character and mental set affect perception.

1. **Personality-** We know that an individual's personality influences his work. This includes his perception too. Personality influences perception because of two reasons. First the perceiver tries to project his personality traits in others. This process is known as projection. For example if a person is highly achievement oriented (a personality attribute) he tends to treat others as highly achievement oriented though this might not be true for the perceiver tends to find in a person what he expects to find. This is known as fulfilling prophesy.

It is based on the maxim what we perceive is governed by what we expect or believe to be present. Thus the perceiver tries to fit his beliefs, attitudes, expectations etc. to reality. For example, if the perceiver is assertive and a good manager, he perceives other managers as assertive, though this may not be true. Based on the research evidence, the following conclusions about the relationship between personality and perception have been drawn:

- Secure people perceive others as warm individuals rather than cold and indifferent people.
- Thoughtful individuals do not perceive a situation in terms of black and white but understand that there can be different shades of gray. Hence they do not make judgements based on a single piece of evidence.
- Self-accepting people perceive others as liking and accepting them. Those who are not self-accepting tend to distrust others.
- People tend to perceive others more accurately when they are more like the ones that they are perceiving than if they are different from those who are being perceived.

These imply that insecure, thoughtless, persons are less likely to perceive themselves and those around them accurately. They will, in all likelihood, distrust, misrepresent or in other ways defensively perceive situations. This will influence the resultant behaviour of the person concerned.

2. Mental Set- Mental set is the tendency one has to react in a certain way to a given situation. This has been illustrated by **Massie and Douglas** as such 'Suppose you are a contestant in a track meet and are positioning yourself in your starting blocks as you hear the preparatory commands, 'Get ready, Get Set'. When you hear the command, 'Go', you take off at once since you are already set and ready to this command.' It is a very simple example of mental set.

The perceiver's mental set is relevant for perceiving objects as well as people. For object perception, go through Figure 7.3



Figure 7.3

What do you see in Figure 7.3 an old woman or a young woman? Your answer depends on your mental set towards the picture. In a study, 60 per cent respondents saw young woman and 40 per cent saw old woman.

Here, we are more concerned with people perception. In Organisational setting, people have tendency to perceive about others on the basis of this mental set which causes misperception. The perceiver has an inherent tendency to respond either favourably or unfavourably (hard or soft) in appraising others. Depending on his assumptions about human nature, the perceiver's response set determines whether he looks for socially desirable or undesirable traits in other people and whether his judgements are lenient or harsh.

3. Attribution- In general, attribution means assigning cause to an event. In the case of person perception, it is the act of assigning cause to 'why a person has behaved in a particular way'. Based on this theme, attribution theory has been developed which aids in perceptual interpretation by focusing on how people attempt to (1) understand the causes of an event, (2) assess responsibility for the outcomes of the event, and (3) evaluate the personal qualities of the people in the event. In applying attribution theory, we are specially concerned with whether a person's behaviour is internally caused or externally caused because internal causes are under the control of the person while external causes are beyond his control. According to attribution theory, there are three factors that influence this internal or external determination:

Distinctiveness is the degree to which a person shows consistent behaviour in different situations. If this degree is high, his behaviour is termed as internally caused. For example, if an employee has poor performance with a bad machine as well as with a good machine, his behaviour is termed as internally caused. If his performance improves with the good machine (low degree of distinctiveness), his behaviour is treated as externally caused. Consensus is the degree to which various persons behave similarly in a given situation. If this degree is high, the behaviour is treated as externally caused. For example, in the above case of use of the bad machine, if most of the employees show poor performance (high degree of consensus), the poor performance is treated as externally caused. Consistency is the degree to which a person shows the same behaviour over time. If the degree of consistency is high, the behaviour is treated as internally caused. For example, if an employee arrives late to office consistently, (high degree of consistency), his behaviour of late coming is treated as internally caused but if he is late occasionally (low degree of consistency), his behaviour is treated as externally caused Figure 7.4 summarizes attribution theory.

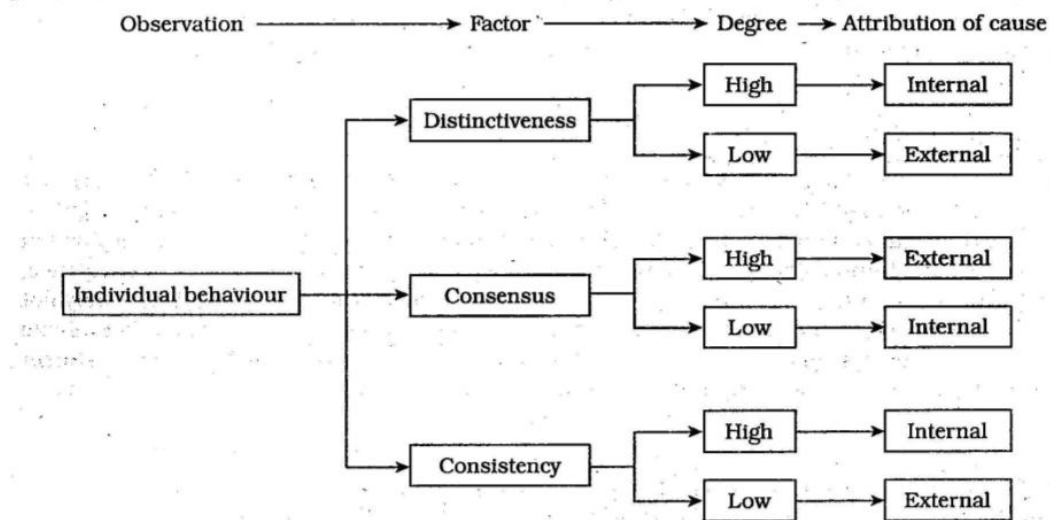


Figure 7.4

In identifying internal or external causes of a particular behaviour of a person, two types of errors occur: fundamental attribution error and self-serving bias. Fundamental attribution error is the tendency to underestimate the influence of situational factors and to overestimate the influence of the personal factors in evaluating the behaviour of a person. Thus, the cause of poor work performance of the person being perceived is assigned to his own fault. Self-serving bias works in reverse direction in which the perceiver assigns the cause of his poor performance as external while cause of his good performance as internal. However, attribution effort in perception differs in people depending on their locus of control. Generally people with internal locus of control commit much lesser attribution error as compared to people with external locus of control because internals are more curious about the situations and events in which they find themselves; use more information for decision making and are more aware (perceptive) of information; and adopt a more alert, calculative attitudes with respect to their situation.

As against internals, externals are less curious about their situation, use less information in decision making and are less aware (perceptive) of formation and adopt passive, less calculating attitudes with respect to their situation. Besides locus of control, cultural background of people also affect the degree of attribution error. For example, people from individualistic cultures are more prone to commit attribution error than people from collectivistic cultures. Thus, Japanese's judgements on target character are more influenced by surroundings than those of Americans.

4. First Impression- It is very common that people evaluate others on the basis of first impression. A first impression consists of the first few seconds of an encounter in which an individual forms an opinion, positive or negative, about another. Sometimes, this initial opinion lasts for ever. The evaluation based on first impression may be correct if it is based on adequate and significant evidence. However, since first impression evaluation is not based on adequate information, it may not be true of people being perceived. Even in such cases, people continue to evaluate on the basis of first impression, though incorrect. This can be corrected by more frequent interaction, though erasing of first impression evaluation is not that easy.

5. Halo Effect- Halo effect takes place when a perceiver perceives another

person's total qualities by perceiving only his few qualities or even a single quality, little qualities actually perceived by the perceiver are outstanding, he tends to perceive the target person's all qualities as outstanding. Alternatively, if the target's actually perceived qualities have been rated as poor, his other qualities which have not been evaluated will be treated as poor. This happens because of human tendency of evaluating whole by evaluating only a small sample from it. In the case of non-living objects, this may be true as it is done consciously. Halo effect differs from first impression in the sense that the latter takes place in the first encounter with another person while the former is based on the evaluation of the limited number of qualities of the person perceived. Halo effect is more reflected in performance appraisal and selection interview where the distortion exists because the rater is influenced by ratee's one or two outstanding good (or bad) performances and, he evaluates the entire performance accordingly. Bruner and Tagiuri note three conditions where the halo effect is more marked:

- when the traits to be perceived are unclear in behavioural expressions.
- when the traits are not frequently used by the perceiver.
- when the traits have moral implications.

6. Stereotyping- Stereotyping occurs when the perceiver judges or perceives a person on the basis of characteristics of the group to which he belongs. The person is not perceived as an individual with specific set of his characteristics but on the basis of his group characteristics. We have seen earlier that the perceiver groups the stimuli on the basis of similarity and proximity to draw inferences. These similar stimuli are, then, perceived as having some common characteristics though many of them might have different characteristics. Similarity of stimuli helps in perception but it also leads to distortion in perception. For example, there are certain stereotyping at the international level like the Italians are quick-tempered Chinese are inscrutable, Japanese are industrious, Americans are materialistic and ambitious, blacks are musical and athletes etc. However all individuals of a particular group may possess those characteristics for which they are stereotyped. Based on the prejudices the perceiver may attach positive or negative attributes in greater degree. There are three-reasons

because of which people adopt stereotyping perception: safety, understanding and clarification, and self-satisfaction. Safety reason of stereotyping suggests that people adopt it as a form of self-preservation. This happens when people have experienced any threat from a group of people in the past. Self-satisfaction reason of stereotyping suggests that people derive satisfaction when they bracket certain type of persons into a group whose status is lower than the group to which the perceivers belong. Stereotyping greatly influences perception in Organisational context. In an Organisational setting, there may be different classes like managers, supervisors, workers, union leaders and so on. Individuals belonging to a particular class are likely to be perceived on the basis of the characteristics of the class to which they belong. The fundamental problem with stereotyping is that it may not contain a spread of truths and give rise to distortion because sometimes perception, derived on the basis of a false premise about a particular group, may be inaccurate.

B. Check Your Progress

- (i) Which one of the following expresses the tendency of consumers to interpret information in a way that fits one's pre conceptions in the consumer buying behaviour:
- (a) Selective Attention
 - (b) Selective Distortaion
 - (c) Selective Retention
 - (d) Subliminal Perception

2. FACTORS IN THE PERSON PERCEIVED

Besides the factors associated with the perceiver, there are certain factors associated with the person perceived which also cause distortion in perception. Two such factors are more common: status of the person and visibility of his traits.

- **Status-** Status is a relative ranking of a person vis-a-vis others. The ranking may be based on one or more of these characteristics: social or Organisational position, intelligence and knowledge, amount of wealth, and so on. The target person may be perceived on the basis of his status and not on the basis of his actual characteristics. Thus, a person having high status may be perceived to have many desirable qualities as compared to a person having low status. However, this may not be true.
- **Visibility of Traits.** Visibility of traits also influences perception of the perceiver. There are many traits which are not visible on surface, such as honesty, loyalty, etc. In such cases evaluation is to be made on the basis of one's own experience which may not be correct. The closeness among people provides opportunities to perceive the traits correctly which, however, are not always available.

3. SITUATIONALFACTORS

Situational factors also affect the perception. There may be structural characteristics of the place indicating the characteristics of person occupying it. Thus, a person is likely to be perceived by a place. For example, a person is perceived differently if he meets with other in a five star hotel as compared to an ordinary place. This may be the main reason for having lavishly furnished offices or showrooms. In many cases, these may not reflect the true value but may only distort people's perception who might be dealing with them.

7.5 MANAGERIAL IMPLICATIONS OF PERCEPTION AND DEVELOPING PERCEPTUAL SKILLS

The implications of perceptual processes may be divided under two-heads- (i) Communication failures and (ii) Performance evaluation.

(i) Communication Failures :

Communication may fail because communicatee though perceptually ready to receive certain communication actually receives different communications. For instance, a shipper normally receives an order of 5,000 cardboard boxes every month from his purchasing agent. In one month he receives suddenly an order for the supply of 15,000 cardboard boxes due to some pressing urgency. The shipper thought it to be typographical error. He corrected the order and supplied only 5,000 cardboard boxes. His perception therefore marred the communication process.

Another interesting example is of my town. I received a letter from the office of the Vice-Chancellor to discuss B.B.A. syllabus with the Vice-Chancellor next day at 11 a.m. Since, I had the idea that the Vice-Chancellor will only discuss MBA syllabus as it was to be discussed, I perceived the BBA as MBA and took with me only MBA syllabus. This marred the communication object.

Communication may also fall when the sender has no words what he perceives. For instance, the other day I was going in my car. Since, I was on my left I moved the car from the middle of the road towards one side to park it. Perceiving that none will overtake me from my left I did not give any sign or signal to a car filled with five or six

passengers. With improper control of the car coming from the back it struck my car. To my surprise the other car damaged the door of my car.

(ii) Performance Evaluation :

Performance evaluation of employees is necessary for the efficiency of the organisation. The evaluation will provide basis to identify the strengths and weaknesses of the employees, the type of training needed by employees, the amount of compensation and rewards to be given to employees and the feedback to the manager to mend his directive and policies.

Inaccurate evaluation will create not only dissatisfaction among employees but may result in affecting adversely the efficiency of the organisation. More often perceptual inaccuracies in performance appraisal are caused by (i) halo effect, (ii) time and (iii) attribution.

The halo effect creates perceptual inaccuracies. If an individual has been rated high on one characteristic he is rated high on all characteristics. Long-time association will not change his perception created in a first few months of his appointment.

Perceptual tendencies also affect the attribution process, which will ultimately reveal the accuracy of appraisal.

There are three methods of appraisal: (i) Evaluation by comparison, (ii) Evaluation against absolute standards and (iii) Behaviourally anchored rating scale.

Comparison between two persons has many advantages. It takes little time. It has a number of drawbacks: (i) it is difficult to rank a large number of persons and (ii) it does not reduce attributional tendencies or halo effect.

When evaluation is done against same set of standards, it has the advantage that the people may be evaluated on several criteria rather than one global characteristic. For instance, if a firm wants to evaluate the degree to which several managers are evaluated, it may be done with the help of a 9-point scale- from 1 (definitely not promotable) to 9 (over due for promotion)

7.6 DEVELOPING PERCEPTUAL SKILLS

Looking into the need for correct perception, it is imperative that people in

the Organisation develop skills to perceive correctly. For this purpose, various attempts can be made. Though it cannot be said with certainty that these measures will bring perfectly correct perception because these may have their limitations, these can help in increasing the degree of correct perception. The following attempts can be made to have better perception :

1. **Perceiving Oneself Accurately-** One of the major reasons why people misperceive others is that they fail to perceive themselves accurately. Therefore, the important thing which a person must do is that he should understand himself more accurately. The more accurately he understands himself, the more accurate he can perceive others. Some common practices that can be adopted in this context are mutual trust, better interpersonal interaction, open communication with others, etc.
2. **Enhancing Self-concept-** Self-concept is normally a function of how successfully people accomplish the things they attempt to do. When people handle roles where they can exhibit and enhance their competence and be successful, they will develop a sense of self-esteem. When self-concept is developed and people have a positive self-regard, they are apt to respect others more and perceive them more accurately. Generally, self-actualizing individuals have more accurate perception about themselves than those who are not self-actualizing. This correct perception about oneself will tend to perceive others more correctly.
3. **Having Positive Attitudes-** Attitudes also affect perception. Unless managers have positive attitudes to whatever situation they find themselves in and see the things from a positive angle, their perception is likely to be distorted. Therefore, managers must be aware of their personal biases, make concerted efforts to be as unbiased as possible, and make conscious efforts to get rid of any negative feelings they may have of others. All these will put managers in their proper perspective and, thus, enhance their perceptual skills.
4. **Being Empathic-** Empathy means being able to see a situation as it is experienced by others. This is putting your legs in another's shoes. A person

can understand the problem in true perspective when he looks at it from others' point of view also. This may help the person to understand other side of the problem and hence more clear perception of the problem. This may occur only when the people can be sensitive to the needs of others and perceive situations from their point of view as well before making final decisions.

5. **Communicating More Openly-** Lot of misperception arises in the Organisation because of lack of adequate communication and undue reliance on one-way communication. Therefore, managers should take steps for making communication effective so as to ensure that right message reaches at the right place and at right time. This may help not only the managers to understand the Organisational situations in much better perspective but employees can also look at the situations in much better way and any misperception may be dispelled
6. **Avoiding Common Perceptual Distortions-** As discussed earlier, there are some factors which affect perception adversely like halo effect, stereotyping, attribution, first impression etc. In order to have better perception of the situation, people in the Organisation should guard themselves specially against these common biases This may be possible if they put continuous efforts and make the decisions only after careful analysis of the situation.

7.7 LET US SUM UP

In the workplace, the difference between perception and reality can be problematic if it interferes with a person's work. Things like a person's job satisfaction, communication with others, relationships with their peers and what tasks or responsibilities they have been affected. What members of management think for any of those areas might not match with what the employees think both of which may be different from the actual truth is called as perception.

7.8 GLOSSARY

- Distortion- a serious barrier to communication
- Response disposition- to perceive familiar stimuli

7.9 SELFASSESSMENT QUESTIONS

1. What do you mean by perceptual selectivity? What are the factors which influence perceptual selectivity?

2. What are the different ways in which a perceiver may organise different stimuli under perception?

3. What is interpersonal perception? What are the factors involved in interpersonal perception and how does distortion occur in such a perception?

7.10 LESSON END EXERCICES

1. Discuss the nature of perception. How does it differ from sensation?

2. What is perceptual process? What are its various elements. Discuss the nature of relationship among these elements.

-
-
3. Discuss the measures for Improving managerial perception.
-
-

Answers to Check your progress

- A. (i) a
(ii) b
(iii) c
B. (b) (b)

7.11 SUGGESTED READINGS

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LEARNING

STRUCTURE

- 8.0 Learning Objectives & Learning outcomes
- 8.1 Introduction
- 8.2 Meaning of Learning
- 8.3 Nature of Learning
- 8.4 Components of Learning Process
- 8.5 Factors Affecting Learning
- 8.6 Learning Theories
- 8.7 Reinforcement Principle
- 8.8 OB Modification
- 8.9 Let us sum up
- 8.10 Glossary
- 8.11 Self Assessment Questions
- 8.12 Lesson End Exercise
- 8.13 Suggested Readings

8.0 LEARNING OBJECTIVES

- (i) To impart knowledge to the learner about the conceptual frame work of learning
- (ii) To list the components of learning
- (iii) To acquaint learner about the theories of learning.

LEARNING OUTCOMES

After going through this lesson you will be able to :

- (i) explain the concept of learning
- (ii) understand the components of learning
- (iii) list the theories of learning

8.1 INTRODUCTION

Learning is needed for change. Change is essential for the realisation of every object, which a person wants to achieve either for himself or for the organisation. Even for the self-propelling change in which man has comparatively lesser control, he has work to accelerate or to reduce the pace of change in order to achieve the desired objective. For instance, when a young grows old it is a self-propelling change on which man has comparatively lesser control. But to reduce the pace of change, the person may have to take steps either physical or medical to reduce the pace of change. In manipulative change he has to make a consolidated effort to reduce or enhance the effect of the change process.

8.2 MEANING OF LEARNING

Learning is another important psychological process determining human behaviour. The human species, unlike other animals, possess an extremely high proportion of unused mental capacity at birth. Human beings have very few instincts or innate response tendencies relative to lower animals. While this may be detrimental to man in the sense that he is helpless for a long period in his early years, it is favourable in the sense that he has greater capacity for adaptation in response to changed survival conditions. This is because of his learning capacity. As such, learning becomes an important concept in the study of human behaviour.

Learning is a term frequently used by people in a wide variety of contexts. Yet, despite its diverse use, at the academic level, its concept has been recognized in only one way, or at the most two, in which behaviour can be acquired or changed. Early behaviourists like Watson and Skinner have used learning as a relation or association

between two types of incidents. Based on this concept, the principle of conditioning has been developed which we shall see later in this chapter. However, many psychologists do not agree with this view and they have viewed learning as a relatively enduring change in behaviour. This view is more acceptable. According to the Dictionary of Psychology, learning means "the process of acquiring the ability to respond adequately to a situation which may or may not have been previously encountered, the favourable Modification of response tendencies consequent upon previous experience, particularly the building of a few series of complex coordinated motor response; the fixation of items in memory so that they can be recalled or Organised; the process of acquiring insight into a situation.

Sanford has defined learning as a relatively enduring change in behaviour brought about as a consequence of experience. In the context of organisational behaviour too, learning is defined in this way. In this lesson, we shall take learning as a relatively enduring change in behaviour due to experience.

8.3 NATURE OF LEARNING

Based on the definition of learning, we may identify the nature of learning in the following manner :

1. Learning involves a change in behaviour, though this change is not necessarily an improvement over previous behaviour. Learning generally has the connotation of improved behaviour, but bad habits, prejudices, stereotypes, and work restrictions are also learned.
2. The behavioural change must be relatively permanent. Any temporary change in behaviour due to fatigue or any reason is not a part of learning.
3. The behavioural change must be based on some form of practice or experience. Thus, any behavioural change because of physical maturation is not learning. For instance, the ability to work which is based on physical maturation would not be considered learning.
4. The practice or experience must be reinforced in order for learning to occur. If reinforcement does not accompany the practice or experience, the behaviour

will disappear.

Learning and Maturation

As pointed out earlier, any behavioural change because of physical maturation is not learning but this is natural outcome because of change in physical features. According to Boring, "maturity is a primary development which should exist before the learned action or behaviour. The development of physical abilities is called maturation." Changes in a person's behaviour may be due to physical and mental maturation. These changes are natural with age. However, these changes are different from the changes due to learning. Nature of changes in behaviour due to maturation and learning is presented below.

1. Behavioural changes due to maturation are natural, while for learning, a person has to make efforts.
2. Changes in behaviour due to maturation are racial, but in the case of learning, these changes are only in the person who learns.
3. Practice of behavioural change is necessary in learning but it is not necessary in the case of maturation.
4. Generally, maturation takes place up to the age of 25 years but a person can go on learning throughout the life.
5. Maturation takes place irrespective of the conditions, favourable or unfavourable, but learning is possible only in the favourable conditions.
6. Since maturity is a natural process, it does not require motivation to change behaviour but learning is cognitive process which is affected by motivation in some form.

8.4 COMPONENTS OF LEARNING PROCESS

A person receives a variety of stimulus inputs. When specific stimuli become associated with specific responses in a sufficiently permanent manner that the occurrence of the stimuli elicits or tends to elicit a particular response learning has occurred. To understand this process it is important to understand the role of various

components of learning These components are: drive, cue stimuli, responses, reinforcement, and retention.

- **Drive-** Learning frequently occurs in the presence of any strong stimulus that impels action. Without drive learning does not take place or at least is not possible because drive arouses individual and keeps him ready to respond thus it is the basis of motivation. A motive differs from drive mainly in that it is purposeful or directed towards the specific goal whereas drive refers to an increased probability of activity without specifying the nature of the activity. Drives are basically of two types primary or physiological drives and secondary or psychological drives. These two categories of drives often interact; individuals operate under many drives at the same time. To predict behaviour, it is necessary to establish which drives are stimulating the most.
- **Cue Stimuli-** Cue stimuli are any objects existing in the environment as perceived by the individual. It is common to speak of cue stimuli simply as stimuli or to use the term cues and stimuli interchangeably. The idea here is to discover the conditions under which a stimulus will increase the probability of eliciting a specific response. There may be two types of stimuli so far as their results in terms of response are concerned: **generalization and discrimination.**
- **Generalization-** Generalization occurs when a response is elicited by a similar but new stimulus. If two stimuli are exactly alike they will have the same probability of evoking a specified response, but the more dissimilar the stimuli become, the lower will be the probability of evoking the same response. The principle of generalization has important implications for human learning. It makes possible stability in man's actions across the time. Because of generalization, a person does not have to completely relearn each of the new tasks or objects which constantly confront him. It allows the Organisational members to adapt to overall changing conditions and specific new or Modified job assignment. The individual can borrow from past learning experiences to adjust more smoothly to new learning situations. However, there are certain negative implications of generalization for learning. A person may make false conclusion because of generalization. For example, stereotyping or halo effect in perception occurs because of generalization.
- **Discrimination-** Discrimination is opposite of generalization. This is a process

whereby an organism learns to emit a response to a stimulus but avoids making the same response to a similar but somewhat different stimulus. For example, a rat may learn to respond to the white colour but not to the black. Discrimination has wide application in Organisational behaviour. For example, a supervisor can discriminate between two equally high producing workers, one with low quality and other with high quality. The supervisor discriminates between the two workers and positively responds only to the quality conscious worker. As there is no positive response (reinforcement), the low quality producing worker may extinct his learning.

- **Responses-** The stimulus results in responses. Responses may be in the physical form or may be in terms of attitudes, familiarity, perception, or other complex phenomena. Usually, however, learning psychologists attempt measurement of learning in behavioural terms, that is, responses must be operationally defined and preferable physically observable.
- **Reinforcement-** Reinforcement is a fundamental condition of learning. Without reinforcement, no measurable Modification of behaviour takes place. The term reinforcement is very closely related to the psychological process of motivation. However, motivation is a basic psychological process and therefore, is broader and more complex than is implied by the learning principle of reinforcement. Reinforcement may be defined as environmental events affecting the probability of occurrence of responses with which they are associated. The role of reinforcement in learning is very important. Of several responses made to the same situation, those which are accompanied or closely followed by satisfaction (positive reinforcement) will be more likely to recur; those which are accompanied or closely followed by discomfort (negative reinforcement) will be less likely to occur. The reinforcement principles have been discussed in this chapter a little later.
- **Retention-** The stability of learned behaviour over time is defined as retention and the converse is forgetting. Some of the learning is retained over a period of time, while other may be forgotten. Extinction is a specific form of forgetting. Extinction may be defined as a loss of memory. Extinction of a well learned response is usually difficult to achieve because once something is learned, it is never truly unlearned. Extinction merely means that the response in question has been repressed

or it may be replaced by learning of incompatible response. Thus, under repeated conditions of non-reinforcement, there is a tendency for the conditioned response to decrease or disappear.

- **Spontaneous Recovery-** There turn around of response strength after extinction, without intervening reinforcement, is called spontaneous recovery. Spontaneous recovery is not unusual among people when they are confused under stress or in other unusual states. In such situations, they sometimes will recover response tendencies that have been extinguished for many years. The original response strength of an extinguished behaviour can also be recovered when a previously extinguished response is rewarded in an isolated instance.

8.5 FACTORS AFFECTING LEARNING

Since learning is an acquired process, it is quite natural that several factors may affect the process. Understanding of these factors is important for management because it can Organise its learning programmes through training or otherwise for improving the behaviour of employees at the workplace. The major factors affecting learning are motivation of the learner, his mental set, nature of learning materials, practice, and environment.

1. Motivation- Learner's motivation is one of the major conditions for learning. As we shall see later in this text, motivation is something that moves a person to action and continues him in the course of action already initiated. This course of action includes learning too. A positive behaviour developed through learning results in reward while a negative behaviour results in punishment. Thus, the degree of the learner's motivation is positively associated with his learning. There are overwhelming evidences that support the generalization that motivated responses tend to be repeated whereas non motivated responses tend to be discontinued.

2. Mental Set- Mental set refers to the preparation for an action, in the context of learning. If a person is prepared to act he can do things quickly and in no time without mental set learning cannot go smoothly and easily. It happens so because the person's mental set activates him to do the act and due to his level of activation he gets inclined to perform the act. Various research studies also support this view.

3. Nature of Learning Materials- Nature of learning materials affects learning by providing the clue for understanding. There are a number of features of the learning materials which affect learning. First, if the learning material is of easy nature, it is learned quickly whereas difficult material takes time to understand. Second, familiarity with learning materials affects learning. If the learner is familiar with the learning materials, he can learn more quickly as compared to when he is unfamiliar with these. Third, serial position, shape, and meaningfulness of learning materials also affect learning if these features are positive learning takes place at faster rate.

types of learning. The more a person practises, more he absorbs learning contents. Most of the motor skills (like typing, swimming, etc.) are learned based on this principle.

5. Environment- Environment in which learning process occurs, affects learning. Environment, here, refers to the situational set up for learning. Environmental factors can either strengthen or weaken the innate ability to achieve and learn. Environment with high pressure and high rate of change increases the likelihood of stress and has negative impact on learning. Environment with features of support, cohesion, and affiliation has positive impact on learning.

A. CHECK YOUR PROGRESS

Fill in the Blanks

- (i) If the learning material is of easy nature, it is _____ quickly.
- (ii) _____ is a basic external condition of learning
- (iii) _____ in which learning process occurs, affects learning.

8.6 LEARNING THEORIES

Learning, as discussed above, is the acquisition of new behaviour. People acquire new behaviour frequently. However, experts do not agree on what is the process through which new behaviour is acquired, and still there is disagreement on the theory behind it. This has resulted in the development of many theories of learning. Many of these theories are well-established while others are in the process of evolution. These theories can be grouped into three categories: conditioning theory also known as connectionist or behaviouristic theory, cognitive learning theory and social learning theory.

a) Conditioning Theory

Conditioning is the process in which an ineffective object or situation becomes so much effective that it makes the hidden response apparent. In the absence of this

stimulus, hidden response is a natural or normal response. This is based on the premise that learning is establishing association between response and stimulus. Conditioning has two main theories: classical conditioning and operant conditioning.

1. Classical Conditioning

Classical conditioning states that behaviour is learned by repetitive association between a stimulus and a response (S-R association). The organism learns to transfer a response from one stimulus to a previously neutral stimulus. Four elements are always present in classical conditioning. These are:

1. Unconditioned stimulus (US)- like food which invariably causes to react in a certain way, that is, salivation.
2. Unconditioned response (UR)- takes place whenever the US is presented, that is, whenever the organism (dog in the original experiment) is given food (US), it salivates.
3. Conditioned stimulus (CS)- the object that does not initially bring about the desired response like the sound of the bell.
4. Conditioned response (CR)- a particular behaviour that the organism learns to produce to the CS, that is, salivation.

The work of the famous Russian physiologist and Nobel Prize winner Ivan Pavlov demonstrated the classical conditioning process. A simple surgical procedure permitted Pavlov to measure accurately the amount of saliva secreted by a dog. In the experiments when Pavlov presented a piece of meat (unconditioned stimulus) to the dog, he noticed a great deal of salivation (unconditioned response). On the other hand, when he merely rang a bell (neutral stimulus), the dog had no salivation. Thus, it was established that ringing of bell was having no effect on the salivation of dog. In the next step, Pavlov accompanied meat with ringing of the bell on this dog salivated. This experiment was repeated several times after that Pavlov rang bell without presenting the meat. This time, the dog salivated to the bell alone which was originally a neutral stimulus having no effect on the behaviour (salivation). In the new situation, the dog had become classically conditioned to salivate (conditioned response) to the

sound of the bell (conditioned stimulus). Pavlov went beyond the simple conditioning of his dogs to salivate to the sound of the bell. He next paired a black square with the bell. After a number of trials with this pairing, the dogs salivated to the black square alone. The original conditioned stimulus (bell) had become a reinforcing unconditioned stimulus for the new conditioned stimulus (black square). This was called second-order conditioning. Pavlov could go for third-order conditioning but not more. However, most behavioural scientists agree that human beings are capable of being conditioned higher than the third order. Classical conditioning, as discussed above, is presented in Figure 8.1.

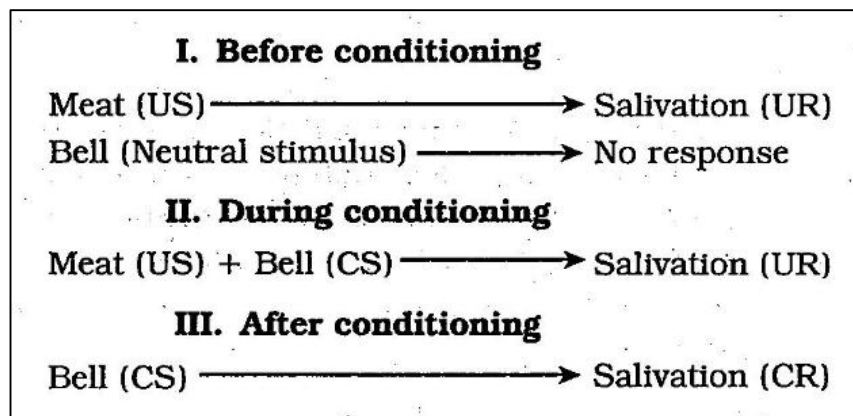


Figure 8.1.

Implications of Classical Conditioning

Classical conditioning has some important points for understanding human behaviour. Since higher-order conditioning for learning by human beings is important, its implications must be recognized. For example, higher-order conditioning can explain how learning can be transferred to stimuli other than those used in the original conditioning. However, the existence of higher-order conditioning shows the difficulty of tracing the exact cause of certain behaviour as a direct cause-effect relationship for a behaviour is difficult to establish. Another implication of higher-order conditioning is that reinforcement can be acquired. A conditioned stimulus becomes reinforcing under higher-order conditioning. This shows the importance of secondary rewards (higher-order conditioning) in organisations.

Classical conditioning though offers explanation for learning fails to explain total behaviour. Therefore, many psychologists view that classical conditioning, though offers explanation for learning, does not explain total behaviour of human beings. Classical conditioning is passive. Something happens and we react in a specific or particular way. It is elicited in response to a specific identifiable event and, as such, it explains simple and reflective behaviour. But behaviour of people in the Organisations is emitted rather than elicited, and it is voluntary rather than reflective. Because of limitations of classical conditioning in explaining the learning process of human beings, many psychologists did not agree with this concept. Skinner, particularly, feels that classical conditioning explains only respondent's reflective behaviour. People's behaviour is emitted rather than elicited and it is voluntary rather than reflective. The behaviour affects, or operates on, the environment. This type of behaviour is learned through operant conditioning.

2. Operant Conditioning

Operant, is defined as behaviour that produce effects. Operant conditioning suggests that people emit responses that are rewarded and will not emit responses that are either not rewarded or punished. Operant conditioning implies that behaviour is voluntary and it is determined, maintained, and controlled by its consequences. It presupposes that human beings explore their environment and act upon it. The basic principle of learning new behaviour (operant or also called instrumental) involves the relationship between three elements:

1. Stimulus situation (important events in the situation),
2. Behavioural response to the situation, and
3. Consequence of the response to the person.

A simple example of the operant behaviour is the application of brake by a vehicle driver to avoid accident. Here, the possibility of accident without application of brake is stimulus situation, application of brake is the behaviour and avoidance of accident is the consequence of behaviour. Through this process, human beings learn

what behaviours will be rewarding and they engage in those behaviours.

Implications of Operant Conditioning

Operant conditioning has much greater impact on human learning than classical conditioning. Most behaviours in Organisations are learned, controlled, and altered by consequences. Management can use the operant conditioning process successfully to control and influence the behaviour of employees by designing the suitable reward system. Reynolds observes that operant conditioning is the basis for modification on behaviourism and consists of the following:

1. A series of assumptions about behaviour and its environment.
2. A set of definitions which can be used in an objective, scientific description of behaviour and its environment.
3. A group of techniques and procedures for experimental study of behaviour in the laboratory.
4. A large body of facts and principles which have been demonstrated by experiment. These points show that operant conditioning leads to a very comprehensive approach to the study of behaviour.

Difference between Classical and Operant Conditioning

Classical conditioning and operant conditioning differ in their approach to explain the causes and process of learning. The major difference between these may be summarized as follows;

1. In classical conditioning, behaviour is the result of stimulus either of first order or higher order. In operant conditioning, many possible behaviours can result in the particular stimulus situation. Thus, in the former case, there may be direct relationship between stimulus and response, while no such relationship is necessary in operant conditioning.
2. In classical conditioning, a change in the stimulus (unconditioned stimulus to conditioned stimulus) will elicit a particular response. In operant conditioning, one particular response out of many possible ones occurs in a given stimulus

situation. In this case, stimulus does not elicit response but serves as a cue for a person to emit the response. The emitting of response depends upon the outcome of the response so emitted.

3. In classical conditioning, the stimulus, conditioned or unconditioned, serving as a reward, is presented every time for response to occur. In operant conditioning, the difference between classical and operant conditioning can be further understood by examples provided in Table 8.1. Reward is presented only if the organism gives the correct response. Thus, response is instrumental in receiving the reward.
4. Classical connection can be expressed as S-R while operant connection can be expressed as R-S.

Table 8.1: Examples of classical and operant conditioning

<i>Organism</i>		<i>Connection</i>	
<i>Individual person</i>	<i>Stimulus (S)</i>	<i>Classical</i>	<i>Response (R)</i>
	stuck by a pain shocked by electrical current surprised by a loud sound		flinches jumps screams
<i>Individual person</i>	<i>Response (R)</i>	<i>Operant</i>	<i>Stimulus (S)</i>
	works works hard greeted by others		paid praised, promoted feels happy

b) Cognitive Learning Theory

Cognitive learning theory is based on cognitive Modification of human behaviour which puts emphasis on positive and free-will aspects of human behaviour. Cognitive Modification is used in a number of psychological processes like perception, learning, attitude formation, and motivation. Cognition refers to the mental process of knowing, including aspects such, as awareness, perception, reasoning and judgement. Cognitive

process is the performance of some composite activity and affects mental contents (learned behaviour). Cognitive learning involves enabling people to learn by using their reason intuition and perception There are eight cognitive processes :

Extraverted sensing	Intraverted sensing
Extraverted intuiting	Intraverted intuiting
Extraverted thinking	Intraverted thinking
Extraverted feeling	Intraverted feeling

A brief discussion of each of these is given as under :

- (i) **Extraverted sensing** occurs when people become aware in detail of what is in the physical world. They may be drawn to act on what they experience to get an immediate result.
- (ii) **Intraverted sensing** involves storing data and information, then comparing and contrasting the current situation with similar ones. Thus, the immediate experience is instantly linked with the prior experiences.
- (iii) **Extraverted intuiting** involves noticing hidden meanings and interpreting them, often entertaining a variety of possible interpretations from just one idea or interpreting what someone's behaviour really means.
- (iv) **Intraverted intuiting** involves synthesizing seemingly contradictory phenomena the situation which takes understanding to a new level.
- (v) **Extraverted thinking** involves organisation environment and ideas through charts graphs tables flowcharts etc to understand them in a better way.
- (vi) **Intraverted thinking** involves finding just right words to clearly express an idea concisely crisply and to the point.
- (vii) **Extraverted feeling** involves a desire to connect with (or disconnect from) others and expressions of warmth (or displeasure) and self-disclosure.
- (viii) **Intraverted feeling** is associated with images, feeling tones, and gut of reactions.

As a cognitive process, it often serves as a filter for information that matches what is valued, wanted, or worth believing in. Applying the concept of cognition in learning implies that organism learns the meaning of various objects and events and learned responses depend on the meaning assigned to stimuli.

Cognitive theorists argue that the learner forms a cognitive structure in memory, preserves and Organises information about the various events that occur in a learning situation. For example, in his famous place learning experiments, Tolman trained a rat

to turn right in a 'T' maze in order to obtain food. Then he started the rat from the opposite part of the maze; according to operant conditioning theory, the rat should have turned right because of past conditioning. But the rat, instead, turned towards where the food had been placed. This phenomenon forced Tolman to conclude that the rat formed a cognitive map to figure out how to get the food and reinforcement was not a precondition for learning to take place. Thus, in learning

1. Stimulus (S) leads to another stimulus or S-S rather than the classical S-R or the operant R-S explanation;
2. Learning consists of a relationship between cognitive environmental cues and expectation and behaviour is goal-directed.

Cognitive theory of learning has a number of implications. Most of the early human relations training programmes were based on this concept. Various training programmes were designed to strengthen the relationship between cognitive cues (Organisational, supervisory, and job procedures) and worker expectations (incentive payments for good performance). In the context of the Modificationem Organisational behaviour, this theory has relevance in the field of motivation as it is a cognitive process. Thus, various expectancy theories of motivation derive clues from cognitive theory of learning.

c) Social Learning Theory

Social learning theory combines and integrates both behaviouristic and cognitive concepts and emphasizes the integrative nature of cognitive, behavioural and environmental determinants. This theory agrees with some parts of behavioural and cognitive theories but finds that these theories do not explain the processes and elements therein. It posits that learning can also take place via various or Modificationeling. The Modificationeling processes essentially involve observational learning. Learning does not result from discrete stimulus response consequence connections. Instead, learning can take place through imitating others, called role Modificationels. For example, Bandura, who has contributed a lot to the development of social learning theory, has observed that most of the behaviours that people display are learned

either deliberately or inadvertently, through the influence of the examples. According to social learning theory, learning occurs in two steps :

1. The persons observe how others act and then acquire a mental picture of the act and its consequences (reward and punishment).
2. The person act out the acquired image and if the consequences are positive, he or she will tend to do it again. If the consequences are negative, the person will not do it again.



Sachin Tendulkar
Role model for young cricketers



Indra Nooyi
Role model for young woman executives

If we take the second step of learning we find that there is a tie-in with operant conditioning. But because there is cognitive, symbolic representation of the Modificationeled activities instead of discrete response consequence connections in the acquisition of new behaviour by the person, Modificationeling goes beyond the operant conditioning explanation. A simple example of this phenomenon is that people learn that fire burns the body is learned from others and not necessarily by touching the fire. Modificationehng applications has some practical applications in developing desirable behaviour in the Organisations. People behave not necessarily according to the prescribed Modificatione of behaviour but they engage m the types of behaviour which are demonstrated by their seniors. Here, the role of practice is more important than preception. Luthans and Kreitner have suggested a Modificationeling strategy to improve Organisational performance which has the following steps;

1. Precisely define the goal or target behaviour that will lead to performance improvement.
2. Select the appropriate Modificationel and Modificationeling medium (for example live demonstration, a training film, or a videotape).
3. Make sure the employee is capable of meeting the technical skill requirements of the target behaviour.
4. Structure a favourablelearning environment which increases the probability of attention and reproduction.
5. Modificationel the target behaviour and carry out supporting activities, such as role playing; clearly demonstrate the positive consequences of the Modificationeled target behaviour.
6. Positively reinforce reproduction of the target behaviour both in training and back on the job.
7. Once the target behaviour is reproduced, maintain and strengthen it, first-- with a continuous schedule of reinforcement and later with an intermittent schedule.

Integrating Various Learning Theories

The discussion of various theories of learning leads us to the conclusion that all theories try to explain the logic behind learning process though they differ in their orientations. Each theory focuses on a specific feeling of learning and does not fully explain the phenomena of learning in all situations. Therefore, to understand how learning takes place, we have to take all these theories in an integrated way, that is, the relevant elements of all theories to explain how learning takes place. In fact, in the practice, this approach is more relevant.

8.7 REINFORCEMENT PRINCIPLE

Reinforcement can be defined as anything that increases the strength of response and tends to induce repetitions of the behaviour that preceded the reinforcement.

Sometimes, reinforcement is equated with motivation as reinforcement plays important role in motivation. However both are different as we shall see later in this text motivation is a basic psychological process and is much broader and more complex than the reinforcement as used in learning. In addition the basic core of motivation is needs which are cognitive in nature are unobservable. Reinforcement is an environmental event that follows a response motivation is an internal explanation of behaviour whereas reinforcement is an external explanation of behaviour.

As discussed earlier, reinforcement is very important for learning because behavioural response is conditioned by reinforcement. Some learning theorists however, consider that learning does not involve reinforcement. Thus, all that is necessary for an association to develop between a stimulus and a response is that they occur together frequently. Reward does not seem to be necessary when reward is used. However conditioning proceeds far more rapidly and with greater vigour. This suggests that though reinforcement is not necessary for learning, its presence increases the learning. This is so because when a behaviour is reinforced, a person tends to repeat the same response, he was emitting at the time of reward. This increases the probability of that response being emitted when reward is presented again. Over a period of time, the person may learn to associate the behavioural response with the reward. Relationship between reinforcement and behaviour is presented in Figure 8.2

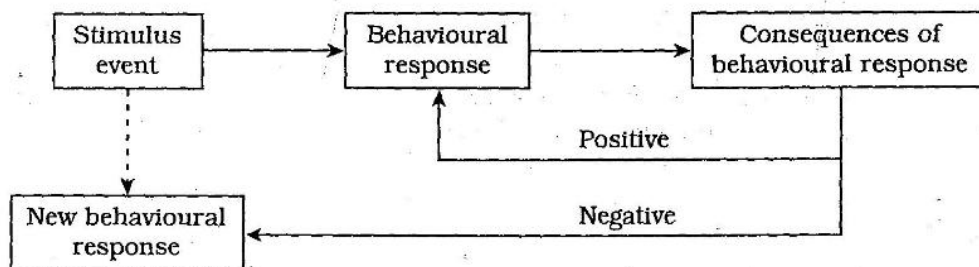


Figure 8.2

Types of Reinforcement :

There are various types of reinforcement which may be used in learning. These may be either positive or negative, extrinsic or intrinsic and primary or secondary.

- **Positive and Negative Reinforcement**

Reinforcement, positive or negative, strengthens the behavioural response and increases the probability of that response. But positive and negative reinforcements accomplish this impact on behaviour in completely different ways. Positive reinforcement strengthens and increases behaviour by the presentation of a desirable consequence. **For example**, giving praise to a subordinate on completion of a task successfully and well in time is a positive reinforcement. Negative reinforcement strengthens and increases behaviour by the termination or withdrawal of an undesirable consequence. **For example**, if an employee wears casual dress at workplace which is not in accordance with official norms, he may be criticized by his supervisor. In order to avoid his criticism (a negative consequence), the employee may start wearing formal dress (desirable behaviour). Sometimes, confusion arises between negative reinforcement and punishment because both are considered to be the forms of negative control of behaviour. However, both work differently. Negative reinforcement strengthens and increases one's behaviour in order to avoid undesirable consequence while punishment weakens and decreases behaviour that is being punished. For example, if an employee breaks Organisational rules frequently for which he is punished with strong warning and a day's pay-cut, in order to avoid the similar punishment in future his behaviour of breaking Organisational rules will be reduced. Thus, positive reinforcement increases the probability of desirable behaviour for getting desirable consequence, negative reinforcement increases the probability of desirable behaviour to avoid undesirable consequence.

Since negative reinforcement is used to avoid negative consequence, it is also referred to as avoidance. Sometimes, withdrawal of a positive reinforcement is used to weaken a particular behaviour of employees which was desirable at one point of time but is no longer desirable. This is known as extinction. Extinction decreases the frequency of behaviour, specially the behaviour that was previously rewarded. If reward is withdrawn for a behaviour that was previously reinforced, the behaviour will become less frequent and ultimately cease to occur. For example, in a small Organisation, the chief executive may encourage his employees, whose number is small, for informal discussion with him to know the reality of the situation. When

organisation grows he may not find time for informal discussion Therefore he may start focusing on formal points in discussion and avoiding informal points. Discussion of informal points, once rewarded, will extinguish in the absence of reward. Thus in an Organisation positive reinforcement, negative reinforcement, punishment, and extinction may be used for shaping human behaviour

- **Extrinsic and Intrinsic Reinforcement**

Positive reinforcement is further classified into extrinsic and intrinsic reinforcement. An extrinsic reinforcement has no direct relationship with the behaviour itself. It is artificial and often arbitrary, such as payment of money to the employees for new ideas. Intrinsic rewards, on the other hand, are natural consequences of behaviour. They create a psychologically expected relationship to the behaviour itself, such as acquisition of new skill, work performance to the capacity assuming more responsibility etc. Extrinsic and intrinsic reinforcers are closely related with motivation process. They are more applicable to learning areas, such as training, and to more complex areas, such as employee attitudes.

- **Primary and Secondary Reinforcement**

Positive reinforcement may also be classified as primary or unconditioned and secondary or conditioned. A primary reinforcement is innately satisfying to the person and directly reduces his primary motivational drive. Such reinforcement are independent of past experiences. As such, unconditioned stimulus is an unlearned reward for the person. Examples of primary reinforcers are food, sex, etc. which satisfy physiological needs. Such rewards are used in simple learning situations. Secondary reinforcers, on the other hand, depend on the individual and his past reinforcement history. Thus, these are primarily learned ones. Examples of such reinforcers are praise, recognition, advancement, etc. Regardless of whether the positive reinforcer is primary or secondary in nature, once it has been determined that the consequence has reward value to the employees, it can be used to increase their performance.

ADMINISTERING REINFORCEMENT :

As it has been established that reinforcement is necessary for learning, a manager must administer it in such a way that it has its maximum effects. If reinforcement is administered properly, it will increase the strength of desired Organisational behaviour and the probability of its being repeated. The nature of reinforcement is as follows which is very important in its administering process :

1. Some type of reinforcement (reward or knowledge of successful performance) is necessary to produce change.
2. Some types of rewards are more effective for use in the organisation than others.
3. The speed with which learning takes place and also how lasting its effects will be is determined by the timing of reinforcement.

The following aspects must be taken into account in administering the reinforcement;

1. **Selection of Reinforcement-** The first step in the successful application of reinforcement procedure is to select reinforcers that are sufficiently powerful to maintain responsiveness while complex patterns of behaviour are being established and strengthened. Reinforcers, particularly conditioned ones, depend upon individuals; what is rewarding to one person may not be rewarding to another. Thus, managers should look for a reward system which has maximum reinforcing consequences to the group they are supervising.
2. **Contingent Designing of Reinforcement-** Reinforcement should be designed in such a way that reinforcing events are made contingent upon the desired behaviour. Rewards must result from performance, and greater the degree of performance of employee, greater should be his reward. Unless a manager discriminates between employees based on their performance, the effectiveness of his power over the employees is nil. It is important that reward administered is equal to performance input of the employee. This is based on the 'rule of distributive justice' and states that this reciprocal norm applies in both formal and informal relationships.

3. **Reinforcement Scheduling-** The reinforcement should be designed in such a way that a reliable procedure for eliciting or including the desired response pattern is established. If the behaviour that manager wishes to strengthen is already present, and occurs with some frequency, then reinforcement applications can, from the outset, increase and maintain the desired performance pattern at a high level. The effectiveness of reinforcement varies as a function of the schedule of its administration. Thus, understanding of reinforcement administration schedule is important for managers. For administering positive reinforcement and punishment, separate principles are followed.
4. **Administering Positive Reinforcement-** The exact pattern and timing of reinforcement have tremendous impact on the resultant behaviour. In other words, how the reward is administered can greatly influence the specific Organisational behaviour that takes place. There may be conceivable arrangements of a positive reinforcement.
5. **Continuous Reinforcement Schedule-** Under this schedule every positive behaviour is followed by a reinforcer. This type of reinforcement increases positive behaviour very rapidly but when the reinforcer is withdrawn, performance decreases rapidly. It is very difficult in applying in organisational context because it is not just possible to reinforce behaviour every time.
6. **Partial Reinforcement Schedule-** Under partial reinforcement schedule, reinforcement does not occur after every correct behaviour. Though it leads to slower learning, it is more lasting as compared to continuous reinforcement. Partial reinforcement schedule has much wider application in Organisational behaviour. This factor is extremely relevant to the observed strong resistance to change in attitudes, values, norms, and the like. Partial reinforcement may be classified further into four types. Ferster and Skinner have described four types of reinforcement schedules which are more applicable for partial reinforcement.

- **Fixed Ratio Schedule-** Under this schedule, a reinforcer is administered only after certain number of responses. If the schedule is in fixed ratio, the exact number of responses is specified. Administering reward under a fixed ratio schedule tends to produce significantly higher rate of responses. The person soon determines that reinforcement is based on the number of responses and performs the responses as quickly as possible in order to receive the reward. An example of fixed ratio schedule is the piece rate system of wage payment.

- **Fixed Interval Schedule-** Under this schedule, a reinforcement is given only when the desired response occurs after the passage of a specific time since the previous reinforcement. The length of interval can vary a great deal. In the beginning of any learning situation, a very short interval is required. However, as learning progresses, the interval can be stretched out. Behaviour resulting from a fixed interval schedule shows uneven pattern that varies from a very slow unenergetic behavioural response immediately following reinforcement to a very fast vigorous immediately preceding reinforcement. Example of such reinforcement is payment of wages according to time.

- **Variable Ratio Schedule-** Under this schedule a reward given only after a number of desired responses with the number of responses changing from the occurrence of one reinforcer to the other. In other words, each response has a chance of being reinforced regardless of the number of reinforced or non-reinforced responses that have preceded it. Research evidence reveals that of all the variations in scheduling procedures available this is the most powerful. However, this should not be applied in Organisational situation as the only plan for reinforcement scheduling.

- **Variable Interval Schedule-** Under this schedule, the reward is given after a randomly distributed length of time rather than after a number of responses This schedule is an ideal method for administering praise promotion recognition and supervisory visits. Since the reinforcement is dispensed with unpredictably, variable interval schedules generate higher rate of responses and more stable and consistent performance.

B. CHECK YOUR PROGRESS	
B1	(✓) the correct one and (x) the wrong sentence
(i)	Extinction increases the frequency of behaviour. ()
(ii)	Positive reinforcement strengthens the behavioural response ()
B2	Choose the correct option from below :
Teacher's nods and smiles come under :	
(i)	Positive Non Verbal Reinforcement ()
(ii)	Positive Verbal Reinforcement ()
(iii)	Negative Verbal Reinforcement ()
(iv)	Negative Non Verbal Reinforcement ()

8.8 ORGANISATIONAL BEHAVIOUR (OB) MODIFICATION

Organisational behaviour Modification (briefly called as OB Modification) is a sophisticated tool for improving the Organisational effectiveness. Derived and developed from the concept of Skinner's operant conditioning, this technique is used to Modificationify or eliminate undesirable behaviour and replace it with behaviour that is more compatible with goal attainment. Behaviour Modification concentrates on a person's overt behaviour and this allows a manager to realistically try to observe and deal with outward manifestations of behaviour. It is built around the use of rewards for observable behaviour. OB Modification can be defined as the techniques for Modifyingbehaviour of the Organisation members so that they are engaged in desirable behaviour.

Steps in OB Modification (MOD)

OB Modification is a tool and therefore, managers have to go through certain steps to apply it in practice. These steps are presented in Figure 8.3.

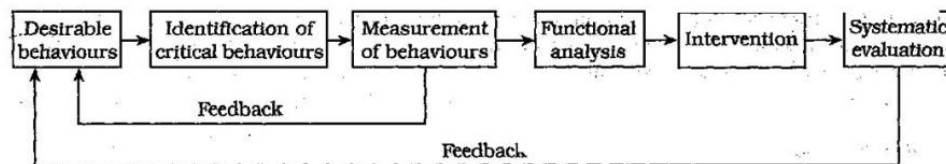


Figure 8.3

OB Modification exercise begins with identification of critical behaviours relevant to Organisational performance. These behaviours are measured and if there is no discrepancy between desirable behaviours and measured behaviours, no further action is necessary. However, if there is discrepancy, further steps of OB Modification are required. These steps are functional analysis of behaviour using intervention strategies for behaviour Modification and finally evaluating whether the behaviour has been Modified the light of desirable behaviour after the use of intervention strategies. Thus, OB Modification goes through five steps in Modifying the undesirable behaviour. A discussion of these steps is presented below :

1. **Identification of Critical Behaviours-** In order to apply OB Modification it is necessary that critical behaviours which have significant impact on the performance outcome of the employees should be identified. Employees may be engaged in several behaviours in the Organisation. Out of these some behaviours may be critical like absenteeism or attendance tardiness or promptness complaints or constructive criticism and doing or not doing a particular task or procedure and some behaviours may not be critical like bad attitudes or goofing off. Critical behaviours may be identified through the discussion with the particular employee and his immediate superior as both are closely intimated with the job behaviours. Asystematic behaviour audit can also be carried on to identify such behaviours. The audit would systematically analyze each job in question on the pattern of job analysis.
- 2 **Measurement of Behaviours-** After the critical behaviours are identified these are measured in terms of the rate at which these are occurring. If the rate of occurrence is within the acceptable limit (for example, rate of absenteeism at the rate of one per cent), no action may be required. However, if it is more, it is required to be changed. Measurement of behaviours can be through either by observing and counting or by extracting from existing records.
3. **Functional Analysis of Behaviours-** Functional analysis involves a detailed examination of present behaviours of the employees to determine what consequences each of the behaviours produces, what conditions lead to their occurrences, etc. It pinpoints one of the most significant practical problems of using an OB Modification approach to change critical performance behaviours. Since only contingent consequences of behaviour have an impact on subsequent behaviour it must make sure that the contingent consequences are identified. Further, if analysis often reveals that there are many competing contingencies for every Organisational behaviour, therefore, the analysis must not be deluded by the contingent consensus that, on the surface, appear to be affecting the critical behaviours.
- 4 **Intervention Identification-** Identification of critical behaviours to change and the factors that cause such behaviours will determine the development of

an appropriate intervention strategy. Intervention is the action taken for changing the undesirable behaviours. Its main objective is to strengthen and accelerate desirable performance behaviours and/or weaken and decelerate undesirable behaviours. There may be many intervention strategies that can be used, but the main ones based on the principles of reinforcement, as discussed earlier, are positive reinforcement, negative reinforcement, and withdrawal of positive reinforcement. The strategies selected must be appropriate to the situation and should produce the desired result.

5. **Systematic Evaluation-** The final step in OB Modification is the systematic evaluation whether the intervention strategies are working properly or not. Since the basic purpose of OB Modification is to bring change in undesirable behaviours so as to improve performance, the evaluation must be made on this line. Changed behaviours can be compared with baseline behaviours and deviations can be noted. If there is positive change, it suggests that the strategies are successful. However, if the change is not significant, it may call for adoption of more appropriate strategies.

Contributions of OB Modification

OB Modification has been applied successfully in many organisations starting from service organisations to manufacturing organisations, ranging from some people in the organisation to the entire organisation. The major strengths of OB Modification are as follows:

1. It deals with observed behaviours. Therefore, it can be put to testing.
2. OB Modification presents a set of tools by which people can learn new behaviours and skills thereby replacing undesirable behaviours.
3. It provides managers various tools for effectively controlling and influencing the behaviours of employees in the Organisation.
4. The understanding of OB Modification techniques is comparatively easy. Therefore, managers can use these without much problems.

Criticisms of OB Modification

OB Modification has been applied in many organisations with very encouraging results about improving morale of employees and increased profit. However because OB Modification has only recently been applied to industrial settings, few criticisms have been made against this. Such criticisms can be divided into three categories: metaphysical and ethical, theoretical and general and practical.

- **Metaphysical and Ethical Problems-** The critics of OB Modification suggest that this technique is an applied rat morphism and tends to equate human beings with rats. The basic reason of this criticism is that Skinner's operant conditioning principles were developed after a series of experiments with white rats. On ethical ground, the main objections against OB Modification are as follows:

1. OB Modification techniques ignore the individuality of man and constitute a threat to the concept of personal autonomy. These techniques are employed to manipulate and control the human beings into another person's concept of ideal person.
2. Behaviour Modification restricts freedom of choice of behaviour. Therefore, this works against the concept of creativity and innovation. Such things are required for successful working of the Organisations.
3. The idea of changing behaviour through reinforcement under OB Modification tantamounts to bribery as some reward is presented when the person shows the behaviour according to the wishes of the change agent.

- **Theoretical and General Problems-** There have been some criticisms on theoretical ground particularly on the basis that conceptualization of OB Modification process is highly oversimplified and many variables affecting human behaviour have not been considered. The main criticisms in this category are as follows:

1. The OB Modification is based on a simple principle of conditioning. The assumption is made that individual behaviour is a function of or is controlled by, environmental stimuli, and that forces internal to the individual have little

effect on operant behaviour. However, empirical evidence suggests that operant behaviour is also a function of certain cognitive and affective variables residing in the individual like perception, beliefs, expectations, etc. These variables have not been considered in OB Modification.

2. OB Modification cannot be considered as an innovative and new technique of management. It is just like old wine in new bottle and new name has been given to the old concepts. In past, many techniques of behaviour Modification have been in practice.

• **Practical Problems-** Application of OB Modification presents some practical problems in Organisations because Organisational settings are different than those in experimental laboratories. Behaviour Modification has been applied primarily with such groups as younger students in schools, delinquents in institutions, patients with varying behavioural disorders, and mentally retarded. All these applications have several things in common like:

1. Subjects are dependent upon the therapists;
2. They are submissive to the therapists;
3. They have short-time perspective; and
4. They perform only those tasks which are assigned to them.

In order to apply behaviour Modification, these conditions should be prevalent in Organisational settings. However, Organisational settings are different from laboratory settings and therefore behaviour Modification cannot be applied in Organisational settings, as applicable to laboratory. No doubt, OB Modification has been criticized both on theoretical and practical grounds; however, its usage has been increasing in business Organisations. This technique can be applied in areas of human resource management, resocialization of workers, management by objectives, personnel development, job design, compensation and alternative rewards, facilitating change by positively reinforcing behaviour and Organisational design. The various criticisms point out that management should take care of the shortcomings of the technique while applying it in the Organisation. Thus, this technique should not be treated as

panacea for all Organisational behaviour problems but must be applied within the context of its limitations and shortcomings.

8.9 LET US SUM UP

Learning may be defined as a relatively permanent change in the behaviour of man, which occurs as a result of practice or past experience. A person learns driving or a child writing by practice. Conversely, a man refuses to touch a burning coal or avoids to manipulate the uncovered electric wiring, as he knows that he will get burnt or receive shock. Learning occurs all the time. It is any relatively permanent change in behaviour that occurs as a result of experience.

8.10 GLOSSARY

- Learning Permanent change in behaviour of a man.
- Reinforcement Mechanics of Motivation

8.11 SELFASSESSMENT QUESTIONS

- a) Name three theories of learning and Explain any one of the theories.

- b) Explain OB Modification in detail.

8.12 LESSON END EXERCISE

- a) What are the Components of Learning ?

- b) What do you mean by reinforcement principle?

Answers to Check your progress

- A. (i) absorbed (ii) Motivation (iii) Environment
B1. (i) X (ii) ✓
B2. (i)

8.13 SUGGESTED READINGS

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M.Com 1st Sem
Unit II

Course No M.Com C-152
Lesson No. 9

PERSONALITY

STRUCTURE

- 9.0 Learning Objectives & Learning outcomes
- 9.1 Introduction
- 9.2 Meaning of Personality
- 9.3 Determinants of Personality
- 9.4 Theories of Personality
- 9.5 Personality and Behaviour
- 9.6 Let us sum up
- 9.7 Glossary
- 9.8 Self Assessment Questions
- 9.9 Lesson End Exercises
- 9.10 Suggested Readings

9.0 LEARNING OBJECTIVES

- (i) To acquaint learners about the concept of personality
- (ii) to impart knowledge to the learners about the theories of personality
- (iii) to familiarize learners about the determinants of personality

LEARNING OUTCOMES

After studying the lesson you will be able to :

- (i) explain meaning of personality
- (ii) describe theories of personality list determinants of personality

9.1 INTRODUCTION

Personality is the complex set of various factors. The general meaning of personality is the external appearance. However, mere external appearance does not determine the personality of an individual. A host of factors determines individual's personality. Interestingly, personality is not developed spontaneously. It is developed over a period of time. A man is born with certain physical and mental qualities and the environment further shapes his or her personality. Several personality theories have been developed to provide an understanding of the personality of an individual. In this lesson, you will learn the definition and determinants of personality, the personality traits and types, theories of personality and the nature of man. It also explains the attributes that influence personality. You will further learn the concept and the applications of emotions in the Organisation.

9.2 MEANING OF PERSONALITY

Though the term personality is frequently used by people, there does not seem to be any consensus about its meaning. It may mean different things to different people. To some, it means a general sum of traits or characteristics of the person; to others, it refers to a unique mode of response to life situations. Thus, there prevails a great deal of controversy over the meaning of personality.

The term personality has been derived from the Latin word 'persona' which means "to speak through". This Latin term denotes the masks which the actors used to wear in ancient Greece and Rome. Thus, personality is used in terms of influencing others

through external appearance. However, mere external appearance, though may be important for personality characteristics, does not make the whole personality. According to Ruch, personality includes:

- (i) external appearance and behaviour or social stimulus value;
- (ii) inner awareness of self as a permanent Organising force; and
- (iii) the particular pattern or Organisation of measurable traits, both inner and outer.

Taking these aspects together, personality may be defined in terms of organised behaviour as predisposition to react to a given stimulus in a particular manner, this may be in the form of consistent response to environmental stimuli. The unique way of responding to day-to-day life situations is the heart of human behaviour. Accordingly, personality embraces all the unique traits and patterns of adjustment of the individual in his relationship with others and his environment. This implies not only the structure of personality but its dynamic qualities as well.

A researcher S.R. Maddi has defined personality as follows:

"Personality is a set of characteristics and tendencies that determine those common and differences in the 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."

Definition of Personality

Personality is an important aspect in understanding the human beings that are the most important resources of an organisation. They provide life to other resources for the achievement of goals and objectives. Human energy makes all the difference in organisations. Personality determines the human energy. It provides an opportunity to understand the individuals, properly direct their energy and motivate them in a proper manner. Personality is the study of the characteristic traits of an individual, the inter relations between them and the way in which a person responds and adjust to other people and situations.

Gordon Allport defined personality as the dynamic organisation within the individual of those psychophysical systems that determine his unique adjustments to his environment.

Kolasa defined personality as a broad, amorphous designation relating to fundamental ap of persons to others and themselves. It is the study of the characteristic traits of an individual, relationships between these traits, and the way in which a person adjust to other people and situations.

Stephen P Robbins has defined personality as the sum total of ways in which an individual reacts and interacts with others.

These definitions reveal that the personality has the following characteristics.

- Personality refers to both physical and psychological qualities of an individual.
- It is unique in the sense that no two individuals are same in terms of personality.
- Personality is the manner of adjustment of individual to the organisation, environment and the group.
- It is a qualitative aspect. Certain techniques exist to quantify it indirectly.
- Personality is dynamic. It changes with the time and situation.
- Personality is a system. It has input, processing and output mechanisms.
- Personality influences goal achievement and performance of an individual.

In this text, we shall take personality as the traits and characteristics of an individual because of which he shows consistent pattern of response to environmental stimuli.

9.3 DETERMINANTS OF PERSONALITY

As pointed out earlier, personality represents a process of change and it relates to the psychological growth and development of individuals. While it may be possible to detect underlying personality characteristics, these characteristics may be useful only at that point of time and only for a limited number of situations. Therefore, it becomes important to know the factors that cause a given personality to change or

develop. Managers can deal more effectively, then, if they understand how an individual's personality develops. These determinants of personality and these have been categorized in different categories. McClelland has categorized these factors into four fundamental theories- traits (acquired propensity to respond), schema (beliefs, frame of reference, major orientations, ideas, and values), motives (inner drives), and self-schema (observation of one's own behaviour). However, for the purpose of analysis; these can be classified into four broad categories.

1. Biological factors,
2. Family and social factors,
3. Cultural factors, and
4. Situational factors.

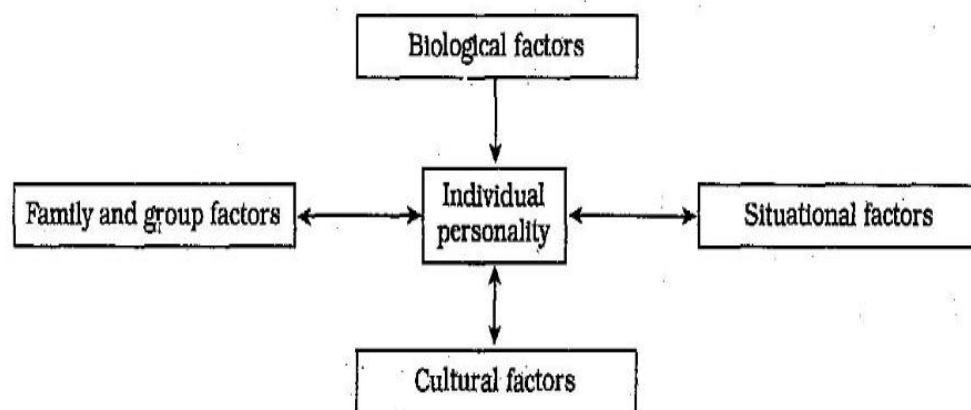


Figure 9.1: Determinants of personality

Out of the various factors of personality determinants, only biological factors have one sided impact while other factors have interactive impact as the individual himself can also have some impact on these factors.

1. Biological Factors

The general characteristics of human biological system influence the way in which human being tends to sense external event data interpret and respond to them. The study of the biological contribution to personality can be divided into three major categories-heredity, brain and physical features.

i). Heredity- Heredity is the transmission of the qualities from ancestors to descendant through a mechanism lying primarily in the chromosomes of the germ cells. Heredity predisposes to certain physical, mental, and emotional states. It has been established through research on animals that physical and psychological characteristics can be transmitted through heredity. However, such a conclusive proof is not available for human beings, though psychologists and geneticists have drawn the conclusion that heredity plays an Important role in personality

ii). Brain- The second biological factor is brain which. Is supposed to play role in shaping personality. Though not conclusive as yet, physiologists and psychologists have studied the structure of human brain and have divided it into two parts-left hemisphere which lies in the right side of the body and right hemisphere which lies in the left side of the body. Depending on the structure of the brain, an individual's personality develops. For example, Trotter has provided the characteristics and dimensions attributed to the left and right hemisphere of the brain.

iii). Physical Features- The third biological factor determining personality formation is physical characteristics and rate of maturation. An individual's external appearance, which is biologically determined, is an important ingredient of personality. In a narrow sense, personality is referred to physical features of a person. However, it is not true if we take a comprehensive view of the personality. A person's physical features have some influence on his personality because he will influence others and, in turn, will affect his self-concept. Mussen observes that "a child's physical characteristics may be related to his approach to the social environment, to the expectancies of others, and to their reaction to him. These, in turn, may have impact on personality development. Similarly, the rate of physical maturation also affects personality because persons of varying maturity are exposed to different physical and social situations and activities differently.

<i>Left hemisphere</i>	<i>Right hemisphere</i>
Speech/verbal	Spatial/musical
Logical, mathematical	Holistic
Linear, detailed	Artistic, symbolic
Sequential	Simultaneous
Controlled	Emotional
Intellectual	Intuitive, creative
Dominant	Minor (quiet)
Wordly	Spiritual
Active	Receptive
Analytic	Synthetic, gestalt-oriented
Reading, writing, naming	Facial recognition
Sequential ordering	Simultaneous comprehension
Perception of significant order	Perception of abstract patterns
Complex motor sequences	Recognition of complex figures

Table 9.1

There may be correlation between physical features and personality traits. For example, Sheldon, an American psychologist, has developed a theory that there are three basic body types, or somatotypes, based on the three tissue layers: endoderm, mesoderm, and ectoderm. Each of these is associated with personality characteristics, representing a correlation between physique and temperament. Thus, there are three types of people: 1) endomorphy, 2) mesomorphy, and 3) ectomorphy. Sheldon's contribution does not suggest how physical features are relevant for personality development; it merely suggests correlation between physical features and personality traits. However, it helps in identifying a person's personality traits, to some extent, by looking at his physical features.

2. Family and Social Factors

The development of the individual proceeds under the influence of many socializing forces and agencies from nuclear family to more distant or global groupings. Family and social groups have most significant impact on personality development. These groups have their impact through socialization and identification processes.

Socialization is a process by which an individual infant acquires, from the enormously wide range of behavioural potentialities that are open to him at birth. Those behaviour patterns that are customary and acceptable according to the standards of his family and social groups. Socialization process starts with initial contact between mother and her new infant. Later on, other members of the family and social groups influence the socialization process.

Identity process occurs when a person tries to identify himself with some person whom he feels ideal in the family. Generally, a child in the family tries to behave like his father or mother. The identification process can be examined from three different perspectives. First, identification can be viewed as the similarity of behaviour (including feelings and attitudes) between child and model. Second, identification can be looked as the child's motives or desires to be like the model. Third, it can be viewed as the process through which the child actually takes on the attributes of the model.

Socialization and identification process is influenced by home environment, family members, and social groups.

i). Home Environment- Total home environment is a critical factor in personality development. For example, children with markedly institutional upbringing or children in a cold, unstimulating home have a much greater potential to be emotionally maladjusted than children raised by parents in a warm, loving, and stimulating environment. The key variable is not the parents per se but rather the type of environment that is generated for the child.

ii) Family Members- Parents and other family members have strong influence on the personality development of the child. Parents have more effect on the personality development as compared to other members of the family. The study by Newcomb showed the high correlation between attitudes of parents and children with a further consistency in patterns. The relationship between parents and children was higher than that between the children and their teachers. Besides parents, siblings (brothers and sisters) also contribute to personality development.

3. Social Groups- Besides a person's home environment and family members, there are other influences arising from the social placement of the family as the person

is exposed to agencies outside the home, particularly the school, friendship, and other work groups. Similarly, socio-economic factors also affect personality development.

4). Cultural Factors

Culture is the underlying determinant of human decision making. It generally determines attitudes towards independence, aggression, competition, and cooperation. Each culture expects and trains its members to behave in the ways that are acceptable to the group. To a marked degree, the child's cultural group defines the range of experiences and situations he is likely to encounter and the values and personality characteristics that will be reinforced and hence learned. Despite the importance of cultural contribution to the personality, a linear relationship cannot be established between personality and a given culture. One problem stems from the existence of numerous subcultures within a given culture. Thus, workers are not influenced by the same culture as managers are.

5). Situational Factors

Apart from the biological, sociological, and cultural factors, situational factors also determine personality development. The S-O-B-C model of human behaviour considers the situations under which the behaviour is occurring. Milgram's research study suggests that very powerful role the situation may play in human personality. On the basis of his research study, he states that a situation exerts an important pressure on the individual. It exercises constraints or provide push. In certain circumstances, it is not so much the kind of person a man is, as the kind of situation in which he is placed, that determines his actions. For a worker whose personality history suggests that he has need for power and achievement, may become frustrated and react apathetically and aggressively if he is put in a bureaucratized work situation. Thus, he may appear lazy and trouble maker though his personality history may suggest that he is very hard working and striving to get ahead. Thus because of changed situation, his personality composition changes. This aspect is very important for Organisational behaviour because a manager has control over the Organisational situation.

A. Check your progress

Fill in the blanks :

- (i) Socialisation and identification process are influenced by....., and.....
- (ii) The S-O-B-C- model of human behavior considers the situations under which.....

9.4 THEORIES OF PERSONALITY

In the previous section, you have learnt about the traits and types of personality. Personality theories have been developed to provide an understanding of the personality of an individual. They help in understanding the elements that shape out personality. Interestingly it also plays a major role in shaping the personality of an individual. Personality theories were developed in three steps. They are psychoanalytic theory, self-theory and social learning. While psychoanalytic theory considers that certain elements in the human traits are responsible for shaping the personality, self-theory explains the impact of environment on the individual personality. Similarly social learning theory provides that situation determines the personality. Let us learn them in detail

1. Psychoanalytic Theory

Sigmund Freud developed psychoanalytic theory. According to him human mind consists of three elements that are responsible for shaping the personality. They are pre-conscious and unconscious elements. The unconscious state of mind is influenced by hedonistic principle. Unconscious mental activity determines behaviour. Conscious element is guided by reasoned principle. Freud developed a structure of human mind in order to explain personality. It consists of three elements known as Id, Ego and Super ego. Consciousness is guided by principle of reasoned reality and unconsciousness is ruled by hedonistic principle of pleasure. According to this approach, personality determines the behaviour. The personality systems of human mental activity are - The Id, The Ego, The Super Ego and The Libido. They are described as under;

1. **The Id- Id** is the: totality of instincts oriented towards increasing pleasure, avoiding pains and striving for immediate satisfaction of desires. The personality characteristics of an individual are built on the foundation of the Id.
2. **The Ego-** is the executive part of the personality. It selects the features of the environment and stores them. It is rational and logical. It is the conscious mediator between realities of world the id demands.
3. **The Super Ego-** Super ego is a moralistic segment of human personality

consisting of noblest thoughts, ideals, feelings developed through absorption of and attitudes.

4. **The Libido-** It is a psychic energy. It makes any system to function. It is dynamic.

According to this theory, wishes are generated by the Id. It compels immediate gratification of these desires. Otherwise tension is generated for their gratification. It tries to gratify them by primary process and reflex action. For example if an employee is negative, the superior scolds him for not performing the given task. He is hurt by the words of the superior. Since he cannot be harsh with the superior, he tries to bear discomfort by withstanding his emotion. He does this by grinding his tooth and bears it. If he fails to withstand his emotion he tries to share the emotions with his close friends. This is called as primary process of overcoming the tension. If the primary process fails energy flows to ego; which provides perception, thinking, judgment and memory. Then individual decides a particular action. However, while applying secondary process super ego acts as a judge. Hence wishes are satisfied by ego according to the values established by super ego. If ego is able to integrate id and super ego individual gets satisfaction, otherwise it results into frustration because super ego tries to punish the ego. To continue the example, the employee tries to introspect himself and learns to work to avoid any discomfort in future. The theory is helpful in understanding the personality of an individual.

2. **Self Theory**

Carl Rogers contributed the self-theory. It is also known as Organism Theory or Field theory. This theory emphasises individual as an initiating, creating, and influencing the determinant of behaviour within the environmental framework. Elements of self-theory are explained below;

i) **Organism-** Organism is the individual. It is the storage of all experiences. Thus forms locus of reference. It is guided by conscious and unconscious elements. So individual behaviour is caused by self-evaluation and by experience.

ii) **Phenomenal field-** Phenomenal field represents totality of all experiences gathered by environmental interaction. According to theory fulfillment of self need is the basic motivator. It is controlled by environment in which individual lives.

iii) Self-concept- Self-concept is an outcome, which forms basis for individual behaviour and personality. Self is a combination of perceptions, attitudes, beliefs, values and traits. It characterises the concept of 'I' and "Me". In this context, 'I' indicates one's own psychological process. Hence it is called personal self. 'Me': is related to the thinking of an individual as to how he appears to others. So it is called social self. Thus both personal self and social self determine individual behaviour.

Self-theory provides valuable guide in understanding behaviour. The theory is organised around individual and not around environment.

3. Social Learning Theory

Albert Bandura developed social learning theory. It states that personality is determined by the situation in which a person interacts. The following are the assumptions of the theory. According to the theory, a person's behaviour is determined by the modeling and observational learning from the environment. A person interacts with the environment. He observes and imitates the stimuli in the environment. He experiences certain cognition. This cognition is retained when the same conditions are reinforced he shows-actions. These actions are called behaviour. Bandura described that it is largely through their actions that people produce the environmental conditions that affect their behaviour in a reciprocal fashion. The experiences generated by behaviour also partly determine what a person it becomes?. In addition, what he can do? Which in turn affects subsequent behaviour?.

Social learning theory provides valuable insights into understanding of personality. The theory considers environment as determinant of behaviour rather than an unconscious element, which is considered as determining behaviour. Thus it suggests that by controlling environment, behaviour can be modified suitable to organisational process.

9.5 PERSONALITY AND BEHAVIOUR

Personality attributes of employees are used in understanding the behaviour employees and design suitable strategies to deal with their behaviour. Some of the traits that influence the behaviour in organisations are described below;

1) Authoritarianism - Authoritarianism is an attribute used to describe persons having certain negative beliefs about the work and workers. Taking this concept, behaviour of employees in organisation is explained by using the following traits; believes in the formal authority

- i) Compels authority
- ii) Adheres to the conventional values and not give preference to the new ideas. conforms to the rules and regulations.
- iii) Believes in directing the subordinates than listening to them
- iv) tries to be rigid and prefers structured environment

Taking these characteristic traits, a leadership style of superiors was developed, known as authoritarian. Employees possessing the authoritarian attributes will command respect and achieve production targets in the short run. In the end, these people cannot maintain the level of motivation and satisfaction.

2) Locus of Control - Locus of control is the belief regarding the outcome of actions. Certain people believe that their skills and abilities influence the outcome of the action. Others believe that some like fate or chance influence their result. According to Robbins, individuals who believe that they control what happens to them are called internals and individuals who believe that what happens to them is controlled by outside forces such as luck or chance are called externals. Certain implications of locus of control behaviour of the individuals in organisations are described below;

- a) **Absenteeism** People having internal locus of control possess a belief that the health is under their control. They inculcate good health and proper care of their health. Thus, they have lower rate of sickness. Therefore, absenteeism is less in these people.
- b) **Turnover**- With respect to turnover, internals tend to take action and thus might be expected to quit the jobs more readily, but they tend to be more successful on the job and more satisfied.

- c) **Decision-Making-** People having external locus of control are more oriented towards intuitive decision making on the other hand, internals consider more information before taking decisions. They are motivated by achievements. They would like to control the outcome of the decisions.
- d) **Motivation-** Internals possess achievement motivation than externals that are just satisfied with the available rewards.
- e) **Job Satisfaction-** People having external locus of control are more dissatisfied on the jobs. This is because of the belief that the outcome is not under their control. In the case of internals, job satisfaction is more due to the belief that outcomes are the results of their actions.
- f) **Psychological Commitment-** Externals are less involved in the jobs. Internals possess commitment that is more psychological.
- g) **Social interactions:-** People having internal locus of control are more sociable and excited to have social relationships to keep their identification and esteem.

The locus of control influences the job selection also. People having internal locus of control are successful in the sophisticated jobs. Jobs having professional and managerial nature require complex information processing ability, needs quick learning, initiative and independence of actions are suitable to the people having internal locus of control. On the other hand, people having external locus of control are suitable to well-structured and routine jobs. They are also successful in those jobs that require complying the directions.

3. Machiavellianism - Niccolo Machiavelli has introduced this concept. The term refers to the degree of individual effort to gain control over organisational tasks.

According to Robbins, Machiavellianism is the degree to which an individual is pragmatic maintains emotional distance, and believes that ends can justify the answers. The characteristics of Machiavellianism personality attributes are;

- They are active to participate in organisational politics.
- They manipulate more, win more and persuade less.
- They adapt at interpersonal game playing, power tactics and identifying

influence system in organisation

- They consider ethics⁴.

4. Self-esteem - Self-esteem is a feeling of liking or disliking of one-self. It is related to the individual desire for success. A person having a greater desire for success is rated as high self-esteem person. He believes that he possesses, required abilities to succeed on the jobs. People with high esteem are risk takers. They tend to choose risky and challenging jobs. They have internal locus of control. They give preference to pride, recognition, flair, success, independence and are satisfied with higher order needs than simple monetary motivation'. On 'the' other hand, people having low self-esteem are influenced by the external factors. They give more respect and importance to the opinions of others. They do not want to face unpleasant situation. Thus, they try to please others.

5. Self-monitoring - Self-monitoring is the ability to adapt to the situational demands. Individuals possessing high score on self-monitoring observe the behaviour of others from close angle in order to adjust their behaviour. They like mobility in their career. They are more successful in discharging contradictory roles. Simply they can wear a mask suitable to the situation. Thus there is high degree of behavioural inconsistency in high self-monitoring people. Therefore self-monitoring attribute helps managers to understand the personality and behaviour of their subordinates in order to direct, communicate, motivate and regulate them on the jobs.

6. Risk taking Attitude - Risk taking is an attitude. Persons differ in the attitude towards assuming the risk. The propensity to take risk influences the decision making. High-risk takers are, likely to take rapid decisions. Risk taking is also related to the job demands. High-risk taking is found in certain caste, religion, nationality and gender. In organisations risk-taking behaviour is related to the ability of employees to take up challenging tasks and possess high achievement motivation. Therefore, a number of personality attributes influence the behaviour of person in the organisational behaviour.

9.6 LET SUM UP

The concept of personality is quite complex even today the psychologists do not agree to any one definition. In one study Gordon Allport, a well-known psychologist,

gave as many as fifty definitions of personality. After considering historical, theatrical, theological, juristic, sociological, omnibus, psychiatric and other definitions, Allport put forth the following formulation:

“Personality is the dynamic organisation within the individual of those psycho-physical systems that determine his unique adjustment to the environment.”

If we analyse this definition, we will obtain the following elements of personality:

1. It lays stress on individuality of each person;
2. The inter-play of inner and outer forces and
3. The capacity of the system (dynamic organisation within the individual) to change in response to demands from within and without.

9.7 GLOSSARY

- **Personality :** It refers to the individual characteristics related to psycho-physical system that determine his unique compatibility to environment.
- **Propensity:** a natural tendency to behave in a particular way.

9.8 SELFASSESSMENT QUESTIONS

- 1) Name the Theories of Personality.
 - i) _____
 - ii) _____
 - iii) _____
- 2) Identify the factors which determine the Personality of persons.
 - i) _____
 - ii) _____
 - iii) _____

9.9 LESSON END EXERCISES

1. Theoriers of Attitudes have been divided in four Categories. Name them.

- i) _____
- ii) _____
- iii) _____
- iv) _____

Answers to Check your progress

- A. (i) family, culture, peers
(ii) behaviour in changing or occuring

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M.Com 1st Sem

Course No M.Com-C 152

Unit II

Lesson No. 10

ATTITUDE AND MOTIVATION

STRUCTURE

- 10.0 Learning Objectives & Learning outcomes
- 10.1 Introduction
- 10.2 Concept and Meaning of Attitude
- 10.3 Theories of Attitude Formation
- 10.4 Factors in attitude Formation
- 10.5 Attitude Change
- 10.6 Work Attitude
- 10.7 Concept of Motivation
- 10.8 Importance of Motivation
- 10.9 Motivational Challenges
- 10.10 Theories of Motivation
 - 10.10.1 Alderfer's ERG Theory
 - 10.10.2 McClelland's Needs Theory
 - 10.10.3 Vroom's Expectancy Theory
- 10.11 Motivation and Behaviour
- 10.12 Let us sum up
- 10.13 Glossary
- 10.14 SelfAssessment Questions
- 10.15 Lesson End Exercises
- 10.16 Suggested Readings

10.0 LEARNING OBJECTIVES

- (i) To impart knowledge to the learners about the concept of attitude.
- (ii) To acquaint learners about the theories of attitude.
- (iii) To provide insight about the concept of attitude change and stress .

LEARNING OUTCOMES

After studying this lesson you will be well versed with the:

- (i) Concept of attitude
- (ii) Theories of attitude
- (iii) Attitude change & concept of stress

10.1 INTRODUCTION

Between the 1920s and up to the World War II, the attention of attitude researchers was directed principally towards definitional issues and attitude measurement. In addition, there were studies concerned with relationship of attitudes to some social variables. World War II brought with it a growing concern about the place of the attitude concept in understanding prejudice, particularly anti semitism. This period also brought the measurement of attitudes and opinions concerning various facts of soldiering and war. After the war, the subject of attitudes was taken up by academicians, particularly in the context of attitude change. Till now, the researchers have developed a loosely structured theoretical framework formulating the psychological processes underlying attitude change and the direct application of the study of attitudes to contemporary social problems.

Stress starts with the existing opportunity. The opportunity has the potential of creating many benefits which may either bring about turnaround in his life and if turnaround is not possible, the impending benefits will improve his economic and social status which will bring all happiness and upliftment in his social status.

10.2 CONCEPT AND MEANING OF ATTITUDE

The importance of attitudes in understanding psychological phenomenon was given formal recognition early in the history of social psychology. From the time of the

concept's entry into, the language of psychology until now, interest in attitudes has been strong and growing. However, over the years, attitudes have been studied with, differing emphases and methods. Attitudes are defined differently in different academic fields. However from organisational point of view, we can define attitude as follows:

Attitude is the persistent tendency to feel and behave in a favourable or unfavourable way towards some object, person or idea.

Attitudes have the following features:

1. Attitudes affect behaviour of an individual by putting him ready to respond favourably or unfavourably to things in his environment.
2. Attitudes are acquired through learning over the period of time. The process of learning attitudes starts right from childhood and continues throughout the life of a person.
3. Attitudes are invisible as they constitute a psychological phenomenon which cannot be observed directly. They can be observed by observing the behaviour of an individual.
4. Attitudes are pervasive and every individual has some kind of attitudes towards the objects in his environment. In fact, attitudes are formed in the socialization process and may relate to anything in the environment.

A) Attitude, Opinion, and Belief

There are certain other terms, such as opinion and belief, which are used quite closely with attitude. However, there is a basic difference in these terms. An opinion is generally the expression of one's judgement of a particular set of facts, an evaluation of the circumstances presented to him. Thus, an opinion is response to a specifically limited stimulus, but the response is certainly influenced by the predisposition with which the individual is operating, that is, the attitude structure. Undoubtedly, attitudes are basic to opinion as well as to many other aspects of behaviour. Although attitudes tend to be generalized predisposition to react in some way towards object or concept, opinions tend to be focused on more specific aspects of the object or the concept.

A difference can also be made between attitude and belief. A belief is an

enduring organisation if perceptions and cognitions about some aspects of individual's world. Thus, belief is a hypothesis concerning the nature of objects, more particularly, concerning one's judgement of the probability regarding their nature. In this sense, belief is the cognitive component of attitude which reflects the manner in which an object is perceived. Beliefs are stronger than opinions; we hold them more firmly than we do the more changeable evaluations of minor or transitory events represented by opinions.

The difference between attitudes, opinions, and beliefs exist on conceptual basis. Most researchers believe that these three terms are so closely tied that it is difficult to separate them except on a limited conceptual basis. In the literature, often, there is considerable amount of overlapping in these three terms. Most psychologists, however, believe that attitudes are more fundamental to human behaviour than are the related aspects. For this reason, more attempts have been made to analyze attitudes as compared to others.

B) Attitude and Behaviour

As discussed earlier, individual's behaviour is not a simple and direct stimulus-response relationship rather it is affected by the individual concerned, as is explained by S-O-B-C model. The work situation is interpreted by the individual, and attitudes play an important part in which the situation is interpreted. Only after individual's interpretation and comparison does the response occurs. This means that response expected of a purely objective and rational consideration of the work situation and its characteristics may not be the actual response of the individual. His response depends completely on how he interprets the situation and on his own personal attitudes towards the situation. Obviously attitudes are an important consideration because of their central position in the process of transforming work requirements into efforts. The process of influence of attitudes on behaviour is presented in Figure 10.1.

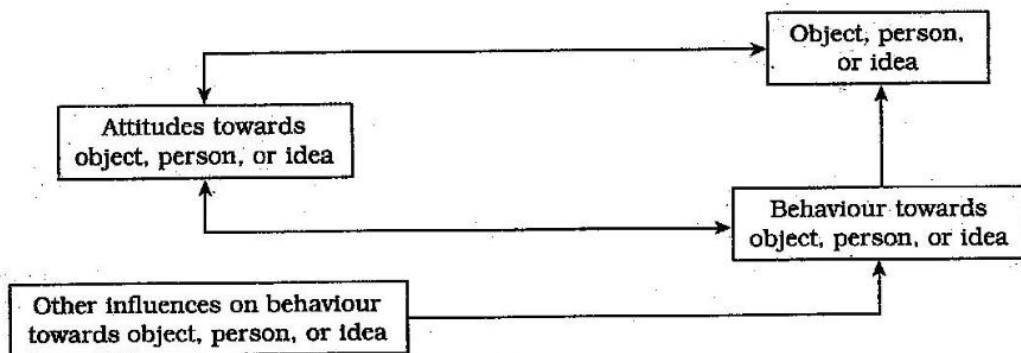


Figure 10.1.

Attitudes alone do not influence behaviour but these act with other factors in the individual influencing behaviour, such as personality, perception, motivation, etc. Further, attitudes are also affected by the individual dimensions as well as the objects, persons, and ideas. Attitudes have been thought as serving four functions and thereby influencing the behaviour. These are utilitarian or instrumental, ego defensive, value orientation, and knowledge.

1. **Instrumental.** Attitudes serve as a means to reach a desired goal or to avoid an undesired one. Instrumental attitudes are aroused by the activation of a need or cues that are associated with the attitude object and arouse favourable or unfavourable feelings.

2. **Ego defensive** It is the function of attitude acknowledges the importance of psychological thought. Attitudes may be acquired and maintained to protect the person from facing threats in the external world or from becoming aware of his own unacceptable impulses.

Ego-defensive attitudes may be aroused by internal or external threat, frustrating events, appeals or to the build-up or repressed impulses, and suggestions by authoritarian sources. The attitudes influence his behaviour by affecting his perception of the situation accordingly.

3. **Value Orientation** function takes into account attitudes that are held because they express a person's values or enhance his self-identity. These attitudes arise by conditions that threaten the self-concept, appeals to reassert the person's self-image, or by cues

that engage the person's values and make them salient to him.

4. **Knowledge function** of attitudes is based on a person's need to maintain a stable, Organised, and meaningful structure of the world. Attitudes that provide a standard against which a person evaluates aspect of his world serve the knowledge function too.

These functions of attitudes affect the individual's way of interpreting the information coming to him. Since attitudes intervene between work requirements and work responses, information about how people feel about their jobs can be quite useful in prediction about work response. Thus, these types of attitudes can portray areas of investigation for making the individual and the Organisation more compatible.

10.3 THEORIES OF ATTITUDE FORMATION

A great number of theories have been proposed to explain attitude formation and change. Although these theories have many limitations, they provide useful thinking about the processes underlying attitude formation. These theories are Organised into major groupings according to the nature of the psychological processes postulated to underlie formation and change of attitudes. These theories may broadly be classified into three categories: cognitive consistency theories, functional theory and social judgement theory. However, there is discontinuity between various groupings because related approaches have focused on different sets of phenomena. Nevertheless, such classification is valid from practical point of view.

1. Cognitive Consistency Theories

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

a. **Balance Theory** - The basic model of balance theory has been provided by Heider. The theory is concerned with consistency in the judgement of people and issues that are linked by some form of relationship. There are three elements in the attitude formation: the person, other person, and impersonal entity. Two generic types of relationships are considered to exist between the elements: linking or sentiment relations and unit relations. The linking relations encompass all forms of sentiment of effect, while unit relationships express the fact that two elements are perceived as belonging together. Both linking and unit relations can be positive and negative. In a three element system, balance exists if all three relations are positive or if two relations are negative and one is positive. Imbalance exists if all three relations are negative or if two relations are positive and one is negative. People tend to perceive others and objects linked to them so that the system is balanced. Thus, if a perceiver likes a source who favours a certain position on an issue, the balancing process induces the perceiver to favour that position too. The balanced states are stable and unbalanced states are unstable. When unbalanced states occur, the psychological tension created motivates the person to restore balance cognitively by changing the relation. Thus, a person's attitudes towards an object depend on his attitudes towards a source who is linked with the object.

The basic model of **Heider** has been criticized on some grounds. For example, the theory does not consider the degree of linking or unit relationship nor the relevance to the perceiver of the elements and relations. Consequently, there are no degrees of balance or imbalance, and it is not possible to make quantitative predictions about the degree of attitude change.

In an extension of balance model, **Abelson** has suggested four methods in which a person can resolve imbalance in cognitive structure: denial, bolstering, differentiation, and transcendence. Denial involves denying a relationship when unbalance occurs. Bolstering involves adding element in the structure that is, adding another issue in the main issue. Differentiation involves splitting one of the elements into two elements that are related in opposite ways to other elements in the system and negatively related to each other. Transcendence involves combining elements into larger, more super-ordinate units from a balance structure. These processes occur in

hierarchy so that a person's attempts to resolve imbalance in the ordering are discussed. The ordering is based on the assumption that the person will attempt the least effortful resolution first. This theory helps in understanding the role and interpersonal attractiveness in changing the attitudes.

b. Congruity Theory- Osgood and Tannenbaum have proposed the congruity theory of attitudes which is similar to the balance theory. The focus of the theory is on changes in the evaluation of a source and a concept that are linked by an associative or dissociative assertion. Congruity exists when a source and concept that are positively associated have exactly the evaluations and when a source and concept that are negatively associated have exactly the opposite evaluations attached to them. Congruity is a stable state and incongruity is unstable one. As such, incongruity leads to attitude change and the theory states how much attitudes towards the source and towards the concept change in order to resolve the incongruity.

c. Affective Cognitive Consistency Theory This theory propounded by Rosenberg is concerned with the consistency between a person's overall attitude or effect towards an object or issue and his beliefs about its relationship to his more general value. Rosenberg has related attitudes to one aspect of cognitive structure-means-end relationship between the object or issue and the achievement of desired and undesired value of goals. The theory is also called structural because it is concerned mainly with what happens within the individual when an attitude changes. It proposes that the relationship between the affective and the cognitive components of the attitude change when an attitude is altered.

The theory postulates that a person's effect towards or evaluation of the attitude object tends to be consistent with this cognitive structural component. When there is inconsistency beyond a certain level of tolerance, the individual is motivated to reduce the inconsistency and thereby to change one or both components to make them more consistent. The theory, thus suggests that changes in the affective component produce changes in the cognitive component in order to bring about consistency between the two. The theory also suggests that persuasive communication be used to change the attitudes. The persuasive communication conveys information about how the attitude object or issue furthers the attainment of certain desirable ends.

d. Cognitive Dissonance Theory- The cognitive dissonance theory, proposed by Festinger, has had by far the greatest impact on the study of attitudes. At first sight this theory may appear similar to the affective cognitive theory. The difference between the two is that this theory (dissonance) tends to tie in the third component of the attitudes (behavioural tendency) with cognitions about the attitude object. Rather than dealing with only one belief, this theory deals with relationship a person's ideas have with one other. It states that there are three types of relationships between all cognitions: dissonance, consonance, and irrelevance. Cognitions are dissonant whenever they are incompatible, or if they are opposed to, one's experience about the relationship of events. Cognitions are consonant when one follows from the other on the basis of logic or experience. Cognitions are totally irrelevant when two events are not interrelated. The presence of dissonance gives rise to pressures to reduce or eliminate the rate of the dissonance and avoid the further increase of dissonance. The total amount of dissonance is a function of the proportion of relevant elements that are dissonant with one another relative to the total number of consonant and dissonant elements, each weighed by the importance of the elements for the person. Higher the degree of dissonance, higher would be the attempt to reduce it. Dissonance is reduced through three methods, changing a behavioural cognitive element, changing an environmental element, and adding a new cognitive element.

The basic model of Festinger applies to several situations affecting behaviour of persons. In each behaviour, the person experiences dissonance when he engages in behaviour contrary to his attitudes. Since magnitude of dissonance is a function of the relative number and importance of elements, the amount of justification a person has for engaging in the attitude discrepant behaviour is an important determinant of the amount of dissonance he experiences. Justification adds consonant element to the otherwise dissonant situation. For example, when a person has to choose among a number of alternatives, he experiences conflict before the decision. After the decision, he experiences dissonance because the positive features of rejected alternative and negative features of selected alternative dissonant with the choice. To overcome this dissonance, the justification process starts. Dissonance reducing changes have the net effect of increasing the valuation of the chosen alternative and decrease the valuation of rejected alternatives.

2. Functional Theory

Functional theory considers how attitudes and efforts are related to the motivational structure of the individual. The theory focuses on the meaning of the influence situation in terms of both the kind of motive that is aroused and the individual's method of coping and achieving his goals. An understanding of the functions served by attitudes is important for attitude change procedures since a particular method may produce change in individuals whose attitudes serve one particular function, but may produce no change in an opposite direction in individuals for whom the attitudes serve a different function. The most prominent person who visualized functional theory is Katz and he suggests four functions of attitudes: utilitarian or instrumental function, ego defensive, value orientation, and knowledge, as discussed earlier. It can be seen that there is some similarity in parts of this theory to cognitive dissonance theory. When an attitude serves an adjustive function, one of the two conditions must prevail before it can be changed; (i) The attitude and the activities related to it no longer provide the satisfaction they once did; or (ii) The individual's level of aspiration has been raised. Shifts in the satisfaction which come from behaviours bring with them changes in the attitudes. When new behaviours inconsistent with attitudes bring satisfaction, these attitudes then must be adjusted. However, Katz's functional theory has not stimulated much research except for the work on changing ego defensive attitudes.

Kelma has given another approach about the functional approach of attitudes. His theory is directed towards the types of social relationships that occur in social influence situations. Kelman has distinguished three processes of attitude formation and change compliance, identification, and internalization. These processes derive functional meaning primarily from their emphasis on the motivational significance of the individual's relationship to the influencing agent, or from the differing types of social integration that they represent. Compliance occurs when an attitude is formed or changed in order to gain a favourable reaction from other person or group. Identification occurs when a person forms or changes his attitude because this adoption helps him establish or maintain a positive self-defining relationship with the influencing agent. Internalization involves adopting an attitude because it is congruent with one's overall value system. The individual perceives the content of the induced attitude as

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

3. Social Judgement Theory

Judgement theory, formulated originally by Sherif and Hoveland, attempts to explain attitudes produce distortions of attitudinally related objects and how these immediate attitude change. Accordingly, a person's own stand on an issue, that is attitude, serves as an anchor for the judgement of attitudinally relation. These views can be considered in terms of attitudinal continuum and can be termed as comprising latitudes. The latitude of acceptance, which is the range of opinions the individual finds acceptable, encompasses the opinion that best characterizes his own attitude. The attitude of rejection, which is the range of opinions the individual finds objectionable, the opinion he finds most objectionable. The attitude of non-commitment is the of opinion that the person finds neither acceptable nor unacceptable.

A. CHECK YOUR PROGRESS

Fill in the Blanks

- (i) _____ proposed the cognitive dissonance theory.
- (ii) Functional theory of attitude formation focuses on _____

10.4 FACTORS IN ATTITUDE FORMATION

The attitudes are learned. Though there are different approaches as how learning works and is acquired by individuals, generally it is held that individuals learn things from the environment in which they interact. Thus, for attitude formation, all those factors must be taken into account from which people learn. Such factors may be analyzed in terms of groups. Starting from the family as a group, an individual moves in a close group, then to larger groups, and finally to the society as a whole. Apart from these groups, the individual's psychological make up particularly his personality, is also responsible for shaping his behaviour and attitudes. Thus, in order to understand the various factors and how they affect the attitudes, both these categories of factors should be analyzed.

1. Group Factors

There are three types of groups which affect attitude formation in an individual. These are family, reference groups, and social classes.

i. Family- For attitude formation, family includes nuclear family (father, mother, and their children) and extended family that includes other relatives living together. A newly born child learns behaviour firstly from his mother and subsequently from other members of the family. This is known as socialization process. In this socialization process he learns and forms attitudes also. Gradually, when the child grows up, he comes in contact with others in the family but does not make significant contact with persons outside his family. Family has two important roles. First, other family members have certain personality characteristics, evaluative criteria, and attitudes; and the family as a whole has certain attitudes and values which are shared by all other persons.

Second, family mediates the influence of large social systems on the individual's attitudes, values, and personality characteristics. As an individual interacts with other family members, he simultaneously both influences the personality characteristics and attitudes of others and, in turn, is influenced by others. Since a family is a primary group, the attitudes of family members tend to converge and are typically more homogeneous than would be the case if they were not in the family.

ii. Reference Groups- The awareness and learning of behaviour alternatives is accomplished efficiently through the influence of reference groups. A reference group is any interacting aggregation of people that influences an individual's attitudes or behaviours. This group may include family or other types of groupings either primary or secondary groups. Reference groups serve important Inputs to an individual's learning of his attitudes and awareness of alternative behaviours and lifestyle. This happens through the process of socialization. Socialization, as discussed earlier, is a process by which a new member learns the value system, the norms, and the required behaviour patterns of the society, Organisations or groups in which he is entering. Though all groups with which an individual makes contact have influence on his attitudes, the values and norms of the primary groups play a very important role in influencing attitudes, opinions and beliefs of the members of the group.

iii. Social Classes- The social classes have important influence on individual's attitudes. They have the important task of transmitting cultural behaviour patterns to specific groups and families. They define the expectations of society for groups of people and for families within the groups. The family then transmits these cultural expectations to the individual. Thus, social classes restrict behaviour between

individuals of differing social classes specially in intimate relationships. People have their close relationships with people of similar classes, which tend to restrict attitude formation in similar patterns of other members. This is so because attitudes and values provide goals which aid alternative evaluation and provide motivation for research and evaluation. These are transmitted differently among different social classes.

2. Personality Factors

Personality factors are important in attitude formation. However, many personality characteristics themselves are determined by group and social factors, as discussed earlier. Personality differences between individuals are very important concomitant of the discussion of attitudes. This area has been the subject of great interest of research and study, particularly with respect to broader area of prejudice and social functioning. Various studies show that there is positive relationship between different personality factors and attitudes. Thus, there is a coherent pattern of ethnocentric attitudes including antisemitism among persons having authoritarian personality. The ethnocentrics stick to the straight and narrow holding conventional values, not being able to accept certain socially unacceptable impulses and, therefore projecting these on others. There is a relationship between personality correlates of conservatism and liberalism the conservative attitudes characterize. These are at the lower end of the intelligence scale with less education and with less awareness of current events. Since personality itself is influenced by various group and social factors as well as heredity factors in understanding attitude formation these factors particularly former ones must be analyzed.

• Attitude Measurement

Attitudes are subjective attributes of people. They can be regarded as constructs in the sense that they are conceptualizations of human qualities that are formed on the basis of either rational consideration or statistical evidence. Thus people may vary along a number of attitudinal dimensions. Keeping this measurement aspect into consideration, the attitudes might be defined operationally by describing the measurement systems that psychologists use to measure attitudes. Attitude measurement developed largely by social psychologists is concerned with efforts to tap these attitudes as they are characteristics of individual. There are many methods of attitude

measurement such as; (i) self-report (usually elicited with questionnaires dealing with beliefs feelings and behaviours) (ii) indirect tests (such as projective techniques and disguised approaches) (iii) direct observation techniques and (iv) psychological reaction techniques. However attitude measurement of employees in Organisations is most commonly carried out with self-report questionnaires. Measurement of attitudes based on questionnaires uses several scaling methods. There are three types of attitude scaling which are commonly used in attitude measurement. Thurstone type of scale Likert scale and semantic differential. The Thurstone type of scale goes back to the early work of Thurstone and Chave who collected a large number of statements relating to the area in which attitudes were to be measured. These statements may be relating to any object about which attitudes are to be measured The statements are both favourable and unfavourable and are placed in 11 piles with most favourable statement being placed in pile I and the most unfavourable one being placed in pile 11. Other statements are placed in between their position depending on the degree of favourability or unfavourability. The scale is then presented to the respondents. Each respondent checks the statement with which he agrees his attitude score and then based either on the average or the median scale of the statements that he has checked.

Soon after Thurstone scale Likert experimented with certain, other varieties of attitude scales 10 attitude scale uses five points. The statement relating to the measurement of attitudes is given to the person concerned and he is asked to check one of the five points given for every statement. These points show degree of agreement or disagreement with the given employees other aspects of behaviour. In particular, employees demonstrate Organisational citizenship behaviours which are discretionary actions that promote Organisational success if they have positive attitudes. Organisational citizenship is often marked by its spontaneity, its voluntary nature, its constructive impact on results, its unexpected helpfulness to others, and the fact that it is optional. While understanding employee behaviour based on attitudes may pay rich dividend, managing their attitudes requires the analysis of causes that underlie these attitudes. Based on such an analysis, managers can take measures to change negative attitudes.

10.5 ATTITUDE CHANGE

There is often a paradox of attitudes in that people need them to provide stability to social world yet world is a changing one and people must change their attitudes appropriate to the situation. The attitude change, appropriate to Organisational requirement, is more in because attitudes affect behaviour and only a certain behaviour is desirable from Organisational. point of view. Organisations adopt a number of techniques for changing attitudes of their members so that their behaviour corresponds to the Organisational requirement. However, whatever the techniques for attitude change are adopted, they can be effective only if characteristics of attitudes and their nature are kept in consideration. Though various theories of attitude formation and change have been presented earlier which help in understanding attitudes and the techniques through which they can be changed, the change techniques can be more effective, if three basic factors are considered adequately:

- 1.) Characteristics of attitudes,
- 2.) Personality of attitude holder, and
- 3.) Group affiliation of the attitude holder.

These factors have been derived from two sources: theory of attitude formation and the factors affecting attitude formation.

1. Characteristics of Attitudes- In understanding attitude change, the analysis of attitude characteristics is an important element. Theories of attitudes suggest numerous types of their characteristics. Such characteristics may be: (i) extremeness of the attitude, (ii) multiplexity, (iii) consistency, (iv) interconnectedness, (v) consonance of the attitude cluster of which the focal attitude is a part (vi) number and strength of the needs which are served by the attitude and (vii) centrality of related values. Taking these characteristics of attitudes, there may be two types of attitude namely change: congruent and incongruent. The congruent change involves an increase in the strength of an existing attitude, either to make a positive attitude even more favourable or to make a negative attitude more strongly negative. An incongruent change is one in which the direction of change is opposite to the originally held attitude. Congruent

change is easier to produce than incongruent one specially when the attitude system is interconnected, with supporting attitudes.

2. Personality of Attitude Holder- Another characteristic involved in changeability of attitudes is their simplicity. The number of facts involved in the cognition and the number of facts of which it is related make the attitude simple or complex one. The degree of interconnectedness determines the changeability attitudes. Usually, attitudes which are strongly supported by other attitudes are more resistant to change. Similarly depending on how many social needs support them and the strength of these needs the attitudes may be more or less changeable. Attitudes which reflect personality of attitude holder the core or principal component of an individual's personality would most likely be very resistant to change. The personality factors of attitude holder are also important in attitude change in the sense that some persons are more persuadable as compared to others. This is so because of personality differences. Such differences change the nature of attitudes because attitudes are subjective qualities. It commonly refers to a response to a direct influence attempt. First is level of self-esteem of the person the more inadequate a person feels and the more social inhibition he has the more likely is he to be persuadable. People with great deal of confidence in their own intellectual ability are not only more resistant to change but more willing to expose themselves to discrepant information.

Related, to the personality factors, there is a style of thinking referred to as close minded or dogmatism. Dogmatism is a form of authoritarianism where there is admiration of those in authority and hatred for those opposed to authority. There is a strong belief in the cause and a decreasing tendency to admit that other causes might be valid. Dogmatism is a relatively closed system in which the beliefs and disbeliefs are isolated from one another. It tends to be Organised around some central authority theme which must be protected at all costs. In dogmatism there is high degree of rejection of opposing beliefs a relatively low level of interconnection among belief systems and complex cognitions about positively valued objects as against cognitions about negatively valued objects. In such cases, attitude change is often resisted. However, personality factors should not be overemphasized in attitude change because the change makes more sense in the context of total attempt situation.

3. Group Affiliation of Attitude Holder- Individuals often express their attitudes in terms of group. This is more so in the case of less extreme attitudes. This is so because membership in the group prevents existing attitudes from being disturbed by filtering the information. As will be discussed later, one of the powerful bonds which holds the group together is the fact that members think alike. Information likely to cause dissonance or inconsistency is either omitted or perceived according to group norms with some modification or is rejected or considered irrelevant. Though people are not always exposed to information in the concept of group and information which may change their attitudes impinges upon them from many sources, even outside the group, their membership still influences the way the new information is perceived. This is particularly true of primary groups, such as family, friendship group, etc.

Methods 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:

- 1.) Communication of additional information.
- 2.) Approval and disapproval of a particular attitude.
- 3.) Group influence, and
- 4.) Inducing engagement in discrepant behaviour.

In some or the other, all these methods involve introducing discrepancies among the elements making up the individual's 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 Organisation's point of view, manager can take the following actions in bringing change in attitudes of Organisational members.

- 1.) Manipulating reward system in such a way that the reward is closely tied with individual or group performance.
- 2.) Clearly defining employees' role so that every employee is sure about what is expected of him.

- 3.) Setting challenging targets for those employees who are high achievers so that they derive satisfaction from the work itself.
- 4.) Providing immediate feedback to employees about their job performance.
- 5.) Providing opportunities for employees to participate in decision-making wherever possible.
- 6.) Exhibiting a caring, considerate orientation by showing concern for employee feelings.
- 7.) Refraining from attacking the employees attitudes; instead using the listening skills for understanding their attitudes. -

Developing Positive Attitudes by Individuals

In an organisational setting, managers may help employees to develop positive attitudes in them. However, employees as individuals may develop positive attitudes on their own within the organisation as well as outside it. Developing of positive attitudes is necessary for the betterment of the life because negative attitudes often result in bitterness, resentment, high stress, ill health, and purposeless life. As against these, positive attitudes lead to better personality development, meaningful life, feeling of being important, and contribution to self and society. Though, there may be several methods for developing positive attitudes, the following actions on the part of individuals may be more relevant for developing positive attitudes,

- 1.) Identification of attitudes.
- 2.) Looking for positive.
- 3.) Building positive self-esteem.
- 4.) Setting challenging targets.
- 5.) Avoiding procrastination.
- 6.) Continuous learning

B. CHECK YOUR PROGRESS

Fill in the blanks

- (i) The three major factors for attitude change are , & ____
- (ii) has suggested four methods for attitude change.

10.6 WORK ATTITUDE

Three work-related attitudes are job satisfaction, organisational commitment and prejudice.

1. Job Satisfaction

Job satisfaction refers to the general attitude of employees towards their jobs. Job satisfaction probably is the most widely studied variable in OB. When the attitude of an employee towards his or her job is positive, there exists job satisfaction. Dissatisfaction exists when the attitude is negative.

Job satisfaction often is a collection of attitudes about specific factors of the job. Employees can be satisfied with some elements of the job while simultaneously dissatisfied with others. For example, a lecturer may be dissatisfied with the management of the institution but may derive satisfaction while handling a course on OB in the class. Different types of satisfaction will lead to different intentions and behaviour. An employee might complain to the supervisor when dissatisfied with low pay but not with co-worker satisfaction.

Job satisfaction is important for management as it has impact on turnover, productivity, absenteeism and other job-related aspects. These will be explained later in this chapter.

● Model of Job Satisfaction

Fig. 10.1 shows the causes and consequences of job satisfaction. Causes for job satisfaction comprise organisational factors, group elements and individual needs. All these factors contribute to satisfaction or dissatisfaction. Between the causes and consequences of job satisfaction, there are two variables, namely outcomes valued/expected and outcomes received.

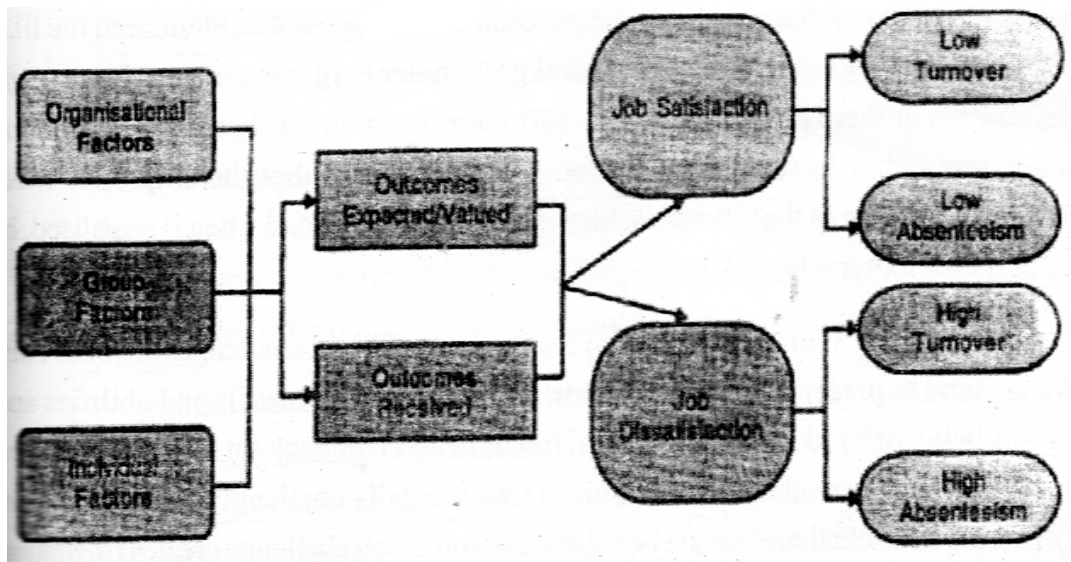


Figure 10.2

- **Causes of Job Satisfaction :**

A) Organisational Factors: There are five major organisational factors which contribute to an employee's attitude towards his or her job: pay, opportunities for promotion, the nature of work, policies of the organisation and working conditions.

(i) **Wages:** Wages play a significant role in influencing job satisfaction. This is because of two reasons. First, money is an important instrument in fulfilling one's needs; and two, employees often see pay as a reflection of management's concern for them.

Employees want a pay system which is simple, fair, and in line with their expectations. When pay is seen as fair, based on job demands, individual skill level, and community pay standards, satisfaction is likely to result. What needs emphasis is that it is not the absolute amount paid that matters, rather it is one's perception of fairness.

(ii) **Promotions:** Promotional opportunities affect job satisfaction considerably. The desire for promotion is generally strong among employees as it involves

change in job content, pay, responsibility, independence, status and the like. An average employee in a typical government organisation can hope to get two or three promotions in his entire service, though chances of promotion are better in the private sector. It is no surprise that the employee takes promotion as the ultimate achievement in his career and when it is realised, he feels extremely satisfied.

(iii) Nature of Work: Most employees crave intellectual challenges on jobs. They tend to prefer being given opportunities to use their skills and abilities and being offered a variety of tasks, freedom and feedback on how well they are doing. These characteristics make jobs mentally challenging. Jobs that have too little challenge create boredom. But too much challenge creates frustration and a feeling of failure. Under conditions of moderate challenge, employees experience pleasure and satisfaction.

(iv) Organisational Policies and Procedures: Organisational policies include the basis for effecting promotions (seniority versus merit), transfer of people, foreign assignments, lay-off and retrenchment, appraisal and reward systems, motivational methods, skill-based versus job-based pay, and the like.

(v) Working Conditions: Working conditions that are compatible with an employee's physical comfort and that facilitate doing a good job contribute to job satisfaction. Temperature, humidity, ventilation, lighting and noise, hours of work, cleanliness of the workplace, and adequate tools and equipment are the features which affect job satisfaction.

The assumption that working conditions and satisfaction are interrelated contradicts the two-factor theory of motivation. According to this theory, working conditions are a part of maintenance factors which, when provided, help remove dissatisfaction. And the opposite of dissatisfaction is no dissatisfaction but not satisfaction.

Thus, while working conditions constitute a source of job satisfaction, they are a relatively minor source. Generally, unless working conditions are either extremely good or bad, they are taken for granted by most employees. Only when employees themselves change jobs or when working conditions change dramatically over time (e.g., moving into new facilities) do working conditions assume more relevance. In other words, all employees are not satisfied nor dissatisfied by favourable or unfavourable work environment.

B) Group Factors: Group factors wielding influence on satisfaction include group size and supervision.

Size: It is truism to say that longer the size of the group, lower the level of satisfaction. As size increases, opportunities for participation and social interaction decrease, so also the ability of members to identify with the group's performance. More members mean dissension, conflict, and groups within groups. All these do not augur well for satisfaction of members.

Supervision: Perceived quality of supervision is another determinant of job satisfaction. Satisfaction tends to be high when people believe that their supervisors are more competent, have their best interests in mind, and treat them with dignity and respect. Communication is another aspect of supervision. Satisfaction of members tends to be high when they are able to communicate easily with their supervisor.

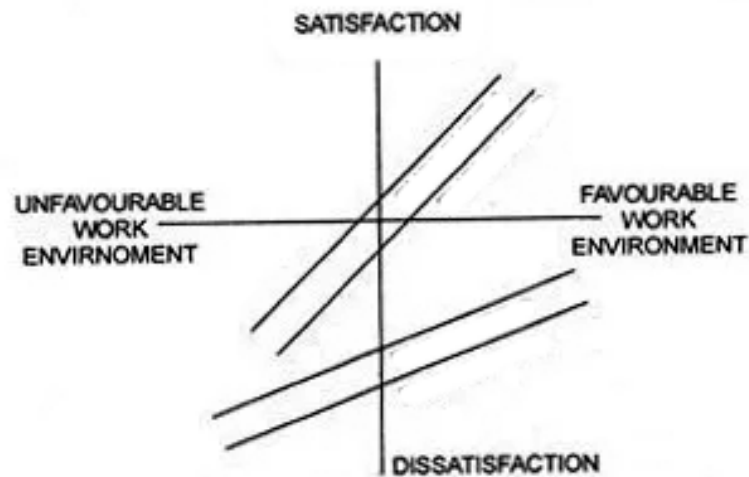


Figure 10.3

- (C) **Individual Factors:** In addition to organisational and group factors, there are certain personal variables that have a bearing on job satisfaction.

First, several personality variables have been linked to job satisfaction. Among these are self-esteem, TYPE A behaviour pattern and the ability to withstand job stress. Stronger an individual is on these traits, more satisfied he or she tends to be on his or her job.

Second, status tends to influence one's job satisfaction. Generally speaking, the higher the one's position in an organisational hierarchy, the more satisfied the individual tends to be. Put another way, a dissatisfied employee may not stay at one place to reach higher positions in organisational hierarchy.

Third, job satisfaction is related to the extent to which people perform jobs congruent with their interests. A recently graduated MBA is cut out to join a firm as a management trainee. Instead, if she or he takes up a teaching assignment, because other openings are not coming by, the individual tends to be dissatisfied with teaching.

Finally, job satisfaction has been found to be related to one's general life satisfaction. The more the people are satisfied with aspects of their lives unrelated to their jobs, the more they also tend to be satisfied with their jobs. This effect has been explained in part, in terms of tendency for one type of satisfaction to 'spill over' into other. For example, an individual experiencing happy family life tends to be satisfied in his or her job at workplace too.

2. **Organisational Commitment**

Organisational commitment is another job-related attitude which is of considerable significance to OB. Organisational commitment refers to the strength of an employee's involvement in the organisation and identification with it. There are three kinds of organisational commitment: **affective**, **continuance** and **normative**.

Affective commitment is an employee's intention to remain in an organisation because of a strong desire to do so. It consists of three factors:

- A belief in the goals and values of the organisation.
- A willingness to put forth effort on behalf of the organisation.
- A desire to remain as a member of the organisation.

Affective commitment encompasses loyalty, but it is also a deep concern for the organisation's welfare.

Continuous commitment is an employee's tendency to remain in an organisation because the person cannot afford to leave. Alternative to leaving the organisation is probably securing a less lucrative job or remaining jobless.

Normative commitment is a perceived obligation to remain with the organisation. Individuals who experience normative commitment stay with the organisation because they feel they should do.

Affective and normative commitments are related to lower rates of absenteeism, higher quality of work, increased productivity and several different types of performance.

Organisational commitment varies across countries. One study of workers in Saudi Arabia found that Asians working there were more committed to the organisation than were Westerners and Arab workers. Another study revealed that American workers displayed higher affective commitment than did Korean and Japanese workers.

- **Building Organisational Commitment:** As with job satisfaction, sources of organisational commitment are several and tend to vary from person-to-person. The more important sources of organisational commitment are explained here.

Job characteristics affect organisational commitment considerably. For example, commitment tends to be greater when people have high levels of responsibility over the jobs they perform and ample opportunities for advancement. Similarly, enriched jobs tend to command commitment from job incumbents.

The most valuable ingredients for organisational commitment are positive and equitable work experiences. New hires must believe that the organisation is fulfilling its obligations. Organisational commitment tends to suffer when employees are overworked, not accompanied by commensurate rewards but senior executives enjoy perks disproportionate to their contribution to the success of the organisation. This has precisely what happened in most public sector undertakings. The CEO of a Bangalore-based Central Government undertaking reportedly spent more than Rs. 20 lakh recently to put up a swimming pool at his residence, the cost being met by the company which has been fighting hard to pay even minimum wages to its workers. Such stones of 'fences eating crops' are several and the consequence has been huge losses being piled up in State and Central undertakings.

Employees need to feel some permanence in the employment relationship. Not that employees should be assured of the type of job security once enjoyed by them, particularly in Government undertakings, there should be enough permanence to nurture a relationship in which workers believe their efforts will be rewarded eventually and generally.

The other factors, (which also lead to job satisfaction) that contribute to organisational commitment include pay, relationship with supervisors and co-workers, working conditions, opportunities for advancement and so on. Over time, organisational commitment tends to become stronger because-

- (i) Individuals develop deeper ties to the organisation and their co-workers as they spend more time with them;
- (ii) Seniority often brings advantages that tend to develop more positive work attitudes; and
- (iii) Opportunities in the job market may decrease with age, causing workers to become . more strongly attached to their current jobs.

OB specialists spend considerable time on building organisational commitment among employees. Reasons justifying efforts are striking. first committed employees tend to contribute to the success of the organisation. Second, committed workers are unlikely to quit their jobs. Third, committed employees tend to make sacrifices (or the sake of the organisation).

3. Prejudice

The third work-related attitude is prejudice which is said to be an unfavourable opinion or feeling about people belonging to certain groups. Prejudices tend to be irrational and affect harmony. They occur in societies and in organisations. People in a society carry prejudices against minorities, disadvantaged sections and marginalised women. Organisational members too entertain ill-founded negative feelings towards bosses, peers and team members.

There are reasons why prejudice occurs in organisations. **First** is stereotyping. Stereotyping is the tendency to assign attributes to someone solely on the basis of a category of people to which that person belongs. If one believes that individuals belonging to group X are not very bright, and if he or she meets A who belong to group X, then the inference is that A is unintelligent. **Second** reason for prejudice is age. It is too well known that elderly people are prejudiced against. Unfavourable attitude towards elders at home result in their not being attended to, not listen them when they desire to talk, not walking with them, and not taking them to doctor for regular check-up. Youth are not spared either. They are disliked because of their lifestyle.

Third reason for prejudice is physical condition. Physically challenged people are sympathised but not respected and accepted. Women are prejudiced against in all societies and organisations. Prejudice against women manifests in sexual harassment, denial of overseas assignments, and not assigned to prestigious projects. Invisible barriers, called glass ceiling, are created against to keep women from advancing as rapidly as men in certain fields.

Fourth, democracy in any country flourishes when citizens are open, tolerant and secular. Institutions like religion, education, media, polity and judiciary are pillars responsible for imbibing these qualities in people. Media, of all, have a bigger role. Citizens develop dislike towards others if these institutions play negative roles. Fifth, religion is a major cause for disharmony, intolerance and conflicts in our country. People belonging to one religion are so intolerant that they indulge in killing others belonging to a different religion.

C. CHECK YOUR PROGRESS

Tick (✓) the correct option

- (i) The job satisfaction of an employee depends on the :
Behaviour (b) attitude (c) personality (d) employer
- (ii) Success of each organization is dependent upon the performance of
Employer (b) management (c) vendor (d) employee
- (iii) A satisfied employee will be a
Motivator to others (b) manager (c) High performer (d) Team Leader

10.7 CONCEPT OF MOTIVATION

Motivation is the process that initiates, guides and maintains goal oriented behavior when employees have been hired, trained and remunerated, they need to be motivated to perform better. As stated earlier, OB manager is expected to offer 'HR deliverables' highly motivated employees to the organisation. Motivation is a tough challenge. There is no 'one fits' approach to motivation. To which stimulus employees

respond, how they respond and what behavioural outcomes do they exhibit is difficult to say.

Good news for the OB professional is that there are several tried, tested and trusted approaches to motivation. An appropriate method can be picked up, may be to treat the needs of the organisation and applied to motivate his or her employees. First, the OB manager himself or herself should be knowledgeable about the nature and theories of motivation.

DEFINITION OF MOTIVATION

Motivation is a personal trait—that is, some have it and others don't. In practice, experienced managers often label employees who seem to lack motivation as lazy. Such a label assumes that an individual is always lazy or is lacking in motivation. In fact knowledge of motivation tells us that this is not true. Motivation is the result of the interaction of the individuals and the situation. Certainly, individuals differ in their basic motivational drive. For example a student who finds it difficult to read a text-book for more than 20 minutes may read Harry Potter book in one afternoon. For this student, the change in motivation is driven by the situation. So when we analyze the concept of motivation, we have to keep in mind that the level of motivation varies both between individual and within individuals at different times.

We'll define motivation as the process that accounts for an individual's intensity, direction, and persistence of effort toward attaining a goal.

The three key elements in this definition are intensity, direction and persistence. **Intensity** is concerned with how hard a person tries. This is the element most of us focus on when we talk about motivation. However, high intensity is unlikely to lead to favourable job-performance outcomes unless the effort is channelized in direction that benefits the organization. Therefore, we have to consider the quality of effort as well as its intensity. **Effort** that is directed toward, and consistent with, the organization's goals are the kind of effort that we should be seeking. Finally, motivation has a persistence al. dimension. This is a measure of how long a person can maintain their effort Motivated individuals stay with a task long enough to achieve their goal.

10.8 IMPORTANCE OF MOTIVATION

1. **First**, motivation coupled with ability leads to performance. Not only are employees motivated to perform allotted tasks, they look for better ways to do a job. This statement can apply for corporate strategists, and to production workers who are looking for better ways to do a job. When people actively seek new ways of doing things, they usually find them. It is the responsibility of managers to make employees look for better ways of doing jobs. An understanding of the nature of motivation is helpful in this context.
2. **Second**, a motivated employee generally is more quality-oriented. This is true whether we are talking about a top manager spending extra time on data gathering and analysis for a report, or a clerk taking extra care when filing important documents. In either case, the organisation benefits, because individuals in and outside the organisation see the enterprise as quality-conscious. A clear understanding of the way motivation works helps a manager make his employees quality-oriented.
3. **Third**, highly motivated workers are more productive than apathetic workers. Much has been written recently about the high productivity of Japanese workers and the fact that fewer workers are needed to produce an automobile in Japan than elsewhere. The high productivity of Japanese workers becomes the question of management's ability to motivate its employees. An appreciation of the nature of motivation is highly useful for managers.
4. **Fourth**, every organisation requires human resources, in addition to the need for financial and physical resources for it to function. Three behavioural dimensions of human resources are significant to the organisation: (1) people must be attracted not only to join the organisation but also to remain in it; (2) people must perform tasks for which they are hired, and must do in a dependable manner; and (3) people must go beyond this dependable role performance and engage in some form of creative, spontaneous, and innovative

behaviour at work. In other words, for an organisation to be effective, it must come to grips with the motivational problems of stimulating both the decision to participate and the decision to produce at work.

5. **Fifth,** motivation as a concept represents a highly complex phenomenon that affects, and is affected by a multitude of (actors in the organisational milieu. A comprehensive understanding of the way in which organisation functions requires that increasing attention be directed towards the question of why people behave as they do on their jobs. An understanding of the topic of motivation is thus essential in order to comprehend more fully the effects of variations in other reactions (such as leadership style, job realisation and salary systems) as they relate to performance, satisfaction and so forth.
6. **Sixth,** yet another reason why increasing attention is paid towards motivation can be found in the present and future technology required for production. As technology increase in complexity, machines tend to become necessary yet insufficient vehicles of effective and efficient operations. Modern technology can no longer be considered synonymous with the term 'automation'. Consider the example of the highly technologically based space programme in the Indian Space Research Organisation (ISRO). The Polar Satellite Launch Vehicle's IPSLV1 lift-off has been the result of 12 years of developmental work, transfer of technology to private industry, smoothening the manufacture of components and subsystems, complex project management and dedicated work by literally thousands in the ISRO, industry and other national laboratories and research institutes. With this feat, India has joined the exclusive club of half a dozen nations that can build and more importantly, launch its own satellites.

The secret behind the success of ISRO has been its employees who are both capable of using and are willing to use the advanced technology to reach the goals.

7. **Seventh**, while organisations have for sometime viewed their financial and physical resources from a long-term perspective, only recently have they begun seriously to apply this same perspective to their human resources. Many organisations are now beginning to pay increasing attention to developing their employees as future resources (a “talent bank”) upon which they can draw as they grow and develop. Evidence for such concern can be seen in the recent growth of management and organisational development programmes, in the increased popularity of ‘assessment centre’ appraisals, in recent attention to manpower planning and in the emergence of ‘human resources accounting’ systems. More concern is being directed, in addition, towards stimulating employees to enlarge their job skills (through training, job design, job rotation and so on) at both blue-collar and white-collar levels in an effort to ensure a continual reservoir of well-trained and highly motivated people.

10.9 MOTIVATIONAL CHALLENGES

The framework of motivation shows that the task of motivation is simple. But in reality, the task is more challenging.

First reason why motivation is a difficult job is that the workforce is changing. Employees join the organisations with different needs and expectations. Their values, beliefs, backgrounds, lifestyles, perceptions and attitudes are different. Not many organisations have understood these and not many HR experts are clear about the ways of motivating such diverse workforce.

Motivating employees is also more challenging at a time when firms have dramatically changed the jobs that employees perform, reduced layers of hierarchy, and jettisoned large numbers of employees in the name of rightsizing or downsizing. These actions have significantly damaged the levels of trust and commitment necessary for employees to put in efforts above minimum requirements. Some organisations have resorted to hire and fire and pay-for-performance strategies almost giving up motivational efforts. Such strategies

may have some effect (both positive and negative) but fail to make an individual overreach himself or herself.

Third, motives can be only inferred; they cannot be seen. The director of a B-School finds two girls working in his office showing varying performance, though both of them are of same age, same educational qualification and identical work experience. What motivates one girl but fails with another is difficult to understand.

Fourth, the dynamic nature of needs often poses challenge to any manager in motivating his or her subordinates. An employee, at any given time, has various needs, desires and expectations. Further, these factors change over time and may also conflict with each other. Employees who put in extra hours at work to fulfil their needs for accomplishment may find that these extra hours conflict directly with needs for affiliation and their desire to be with their families.

Fifth, people do not necessarily satisfy their needs, especially higher-level needs, just through work situation but through other areas of personal life as well. The manager needs a complete understanding of people's private and social lives, not only their work related behaviours.

10.10 THEORIES OF MOTIVATION

There is no shortage of models, strategies and tactics for motivating employees. As a result, firms constantly experiment with new motivational programmes and practices. For discussion purposes, it is useful to classify motivational models into two general categories: early and contemporary. (See also Fig. 10.4).

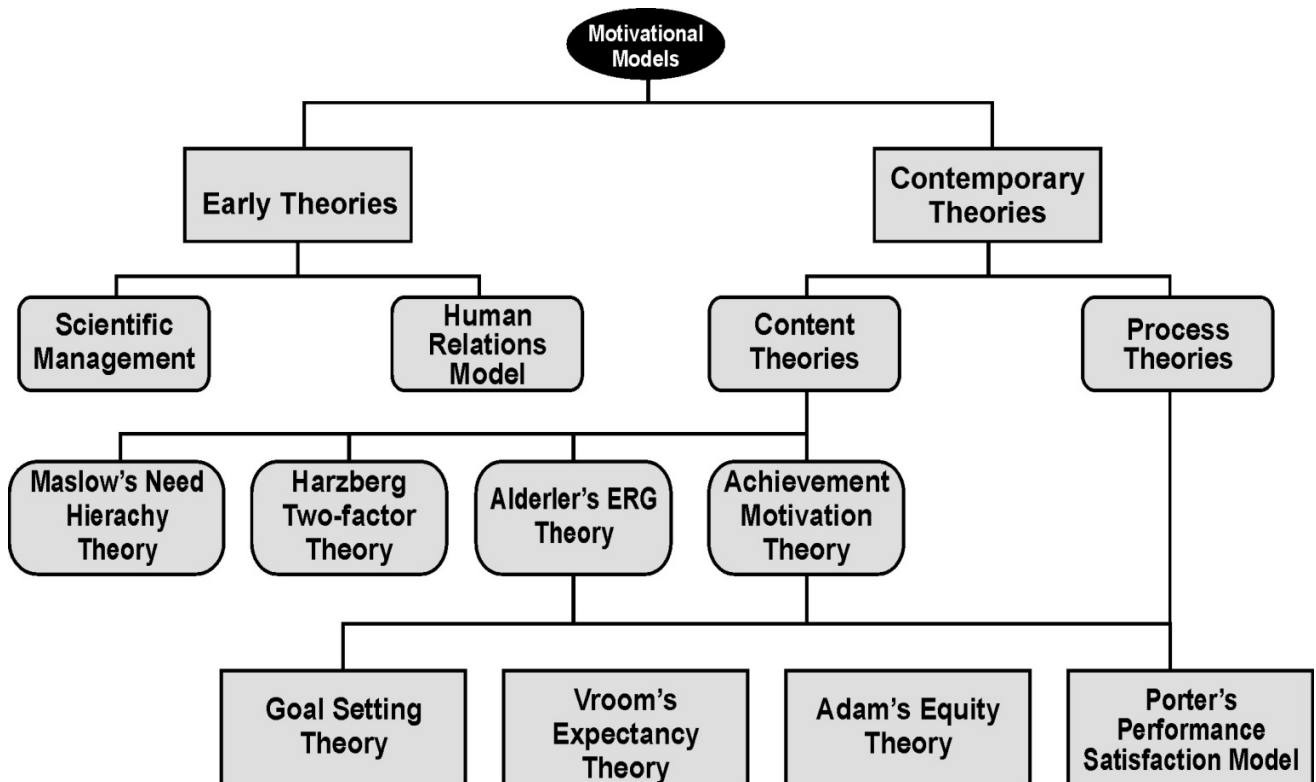


Figure 10.4 (Motivational Models)

10.11.1 Alderfer's ERG Theory: A modification of Maslow's need hierarchy was proposed by Clay Alderfer. Alderfer's views on motivation arose from the results of questionnaires he gave to over 100 employees at several levels in a bank. Alderfer's work led him to propose that there are three (rather than Maslow's five) primary categories of human needs. These categories are:

- (a) Existence; The basic physiological needs (hunger and thirst) and protection from physical danger.
- (b) Relatedness: Social and affiliation needs and the need for respect and regard from others.
- (c) Growth: The need to develop and realise one's potential.

By establishing these broader categories of human needs, Alderfer retained the idea of a hierarchy of needs, but offered a less rigid version of Maslow's

‘satisfaction-progression’ hypothesis. For example, since Maslow’s social and esteem needs are together in Alderfer’s ERG model under the umbrella of ‘relatedness’ needs, neither takes fulfilment precedence over the other.

Where Maslow proposed ‘satisfaction-progression’ model, Alderfer came out with ‘frustration-regression’ hypothesis. If fulfilment of a higher order need is blocked - if something prevents the higher-order need from being fulfilled - an individual’s attention will regress back towards fulfilment of needs lower in the hierarchy. For instance, if relatedness needs are relatively fulfilled but growth-need fulfilment is blocked, an individual’s attention will return to fulfilment of relatedness needs. Besides, Alderfer’s ERG theory assumes that growth needs become more rather than less important as they become fulfilled.

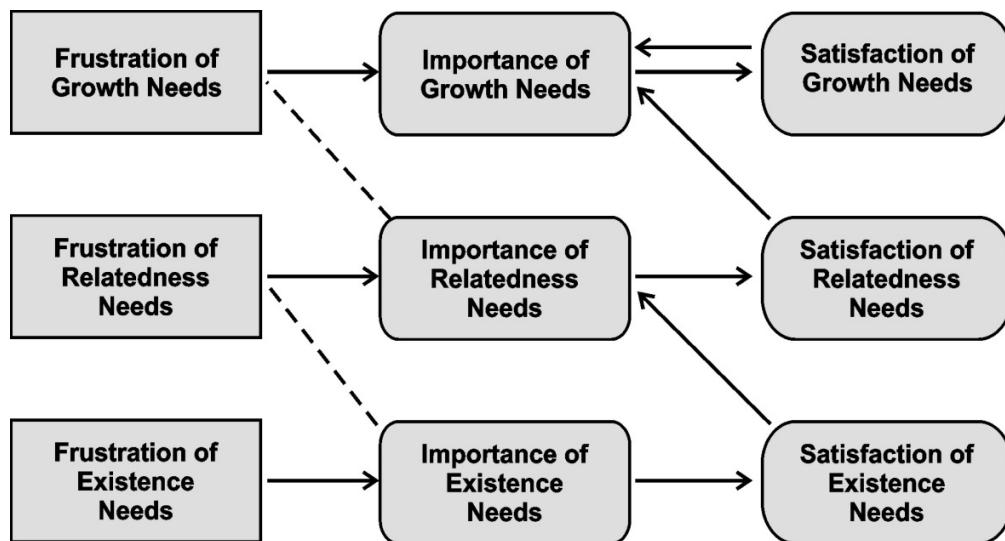


Fig. 10.5

Evaluation of the Theory:

Advantages of the ERG theory are as follows:

- First, the ERG theory is more consistent with our knowledge of individual differences among people. Variables such as education, family background and cultural environment can alter the importance or driving force that a group of needs holds for a particular individual. The evidence demonstrates that

people in other cultures rank the need categories differently, for instance, natives of Spain and Japan place social needs before their psychological requirements. This would be consistent with the ERG theory. The ERG theory, therefore, represents a more valid version of the need hierarchy.

- Second, Alderfer's theory has better founding than Maslow and Herzberg. Overall, ERG theory seems to take some of the strong points of the earlier content theories, but is less restrictive and limiting.

Disadvantages of the theory are as follows :

The theory does not offer clear-cut guidelines. The ERG theory implies that individuals will be motivated to engage in behaviour which will satisfy one of the three sets of needs postulated by the theory. In order to predict what behaviour any given person will be motivated to engage, it would require an assessment of that person to determine which of the three needs were most salient and most important to that person. The individuals would then be predicted to engage in behaviour which would lead to the attainment of outcomes, with the capacity of fulfilling these salient needs.

10.10.2 McClelland's Needs Theory / Achievement Motivation Theory

The fourth needs theory of motivation is proposed by David McClelland. The theory has received wide attention and its propositions have been tested and validated. McClelland identified three learned or acquired needs, popularly called manifest needs. The three needs are:

- Need for achievement (nAch)
- Need for power (nPow)
- Need for affiliation (nAff)

The theory is famously called the Achievement-Motivation theory.

The relative intensity of these drives varies among individuals. It also tends to vary across occupations. McClelland saw the achievement need to be the most critical

for a country's economic progress and success. The need to achieve is linked to entrepreneurial spirit and the development of available resources.

A brief explanation of each need follows.

Need for Achievement (nAch) The nAch concerns issues of excellence, competition, challenging goals, persistence, and overcoming difficulties. A person with a high need for achievement seeks for excellence in performance, enjoys challenging and difficult goals, is persevering, and competitive in work.

Of the three needs, need for achievement receives much attention and application. It has been found that people with nAch perform better than those with a moderate or low need for achievement. Three characteristic features make people with high achievement need distinct:

- They set goals that are moderately difficult but achievable
- They like to receive feedback on their progress towards the goals
- They do not like having external events or other people interfere with their progress towards the goals.

Money is a weak motivator for those people except when it provides feedback and recognition. In contrast, employees with low nAch perform their work better when money is used as an incentive.

McClelland believes that the need for achievement can be learned and he has cited numerous instances in which people developed the need to achieve. He believes that economically backward cultures can be changed if the need to achieve can be stimulated. If McClelland is right, the achievement motivation theory is particularly attractive, because the motive can be taught to an individual or a group.

That the need for achievement can be learned was demonstrated in the Kakinada project in our country, way back in 1970s. In this ambitious project, researchers attempted to raise the achievement motivation of businessmen in Kakmada. The attempt

was a success. The businessmen made plans that would help them realise their goals to become successful entrepreneurs, and told each other about their goals and their methods of reaching them. The businessmen became more productive as entrepreneurs; they started several large industries, enlarged their businesses and hired more than five thousands of their villagers. In a ten years reassessment of the programme, achievement motivational levels and results were still exceptional.

Developing Achievement Motives: McClelland and his associates have made specific suggestions for developing a high achievement need. They are:

- (a) Give employees periodic feedback on performance. This will provide information that will enable them to modify or correct their performance.
- (b) Provide good models of achievement. Employees who are 'heroes' should be available for others to emulate.
- (c) Arrange tasks so that employees can pursue moderate challenges and responsibilities. Avoid tasks that are either extremely difficult or extremely easy.
- (d) As much as possible, employees should be able to control their own destiny and imagination. They should be trained, however, to think realistically and positively about how they will accomplish goals.

Though McClelland placed emphasis on nAch drives, he also studied need for power and affiliation.

Need for Power People with high need for power desire to exercise control over others and are concerned about maintaining their leadership position. They frequently rely on persuasive communication, make more suggestions in meetings, and tend to publically judge situations more often. Satisfaction is derived from being in positions of control and influence.

Distinction is made between socialised power and personalised power. Personalised power is used for individual gain, whereas socialised power is used for

the benefit of society. An effective leader should strive for socialised power and not personalised power. He or she must have a high degree of altruism and social responsibility and be concerned about the consequences of his or her actions on others.

Need for Affiliation The need for affiliation (nAff) is concerned with establishing and maintaining warm, close and intimate relationships with other people. Those with high nAff are motivated to express their emotions and feelings to others while expecting them to do the same in return. High nAff employees generally work well in coordinating roles to mediate conflict and in sales positions where the main task is cultivating long term relations. Needs of individuals and their work preferences are summarised in Table 10.3.

TABLE 10.3: WORK PREFERENCES OF PERSONS HIGH IN NEED FOR ACHIEVEMENT, AFFILIATION AND POWER

TABLE 10.3: WORK PREFERENCES OF PERSONS HIGH IN NEED FOR ACHIEVEMENT, AFFILIATION AND POWER		
High need for achievement	Individual responsibility; Challenging but achievable goals; Feedback on performance	Field salesperson with challenging quota and opportunity to earn individual bonus
High need for affiliation	Interpersonal relationships opportunities to communicate	Customer service representatives; Member of work groups subject to group bonus plan
High need for power	Control of over other persons attention: Recognition	Formal positions of supervisory responsibility; appointment as head of special task force or committee.

Evaluation of the Theory: Like any other theory on motivation, McClelland's theory too has been criticised, criticisms often being unfair. In the first place, the critics question whether motives can be taught to adults. Considerable psychological literature suggests that the acquisition of motives normally occurs in childhood and is very difficult to change once it has been established. McClelland, however, counters that there is strong evidence from politics and religion to indicate that adult behaviour can be drastically altered in a relatively short time.

The second criticism of this theory questions the contention that the needs are permanently acquired. McClelland is the only theorist who argues that the needs can be socially changed through education and training. Opponents contend that the change may be only temporary similar to the one which occurs at an evangelistic meeting or a political rally.

The third criticism relates to the methodology used by McClelland and his associates to advocate the theory. These researchers used the famous Thematic Apperception Test (TAT) of Murray as the main tool to determine basic needs. While projective techniques as TAT have many advantages over structured questionnaires, the interpretation of responses is more subject to researcher's bias.

On the positive side, it may be stated that the research findings highlight the importance of matching the individual and the job. Employees with high achievement needs thrive on work that is challenging, satisfying, stimulating and complex; they welcome autonomy, variety and frequent feedback from supervisors. Employees with low achievement needs prefer situations of stability, security and predictability. They respond better to considerate than to impersonal high-pressure supervision and look to the workplace and co-workers for social satisfaction. McClelland also suggests that managers can, to some extent, raise the achievement need level of subordinates by creating the proper work environment — permitting their subordinates a measure of independence, increasing responsibility and autonomy, gradually making tasks more challenging and praising and rewarding high performance.

Thus, McClelland's work seems to have numerous practical applications at least in the economic realm. It would appear that the current problem is to concentrate on the development of an environment that will support the desired need, be it affiliation, power or achievement, or to change the need to fit the environment. The essence of the theory is that —

Individual needs + responsive work environment → work motivation and job satisfaction.

How true and how relevant the essence is!

10.10.3 Vrooms' Expectancy Theory

Simplifying the expectancy theory, it may be stated that work effort is directed towards behaviours that people believe will lead to desired outcomes. The theory carries three lessons to OB practitioners:

- The employee believes that working hard will lead to task accomplishment
- He or she believes that task performance will fetch expected outcomes.
- He or she desires those outcomes.

Propounded by Victor Vroom, expectancy theory puts forward that employees are rational and not impulsive. They think about what they have to do to be rewarded and how much the rewards matter to them before they indulge in task performance.

Three terms are basic to Vroom's theory: expectancy, instrumentality and valence.

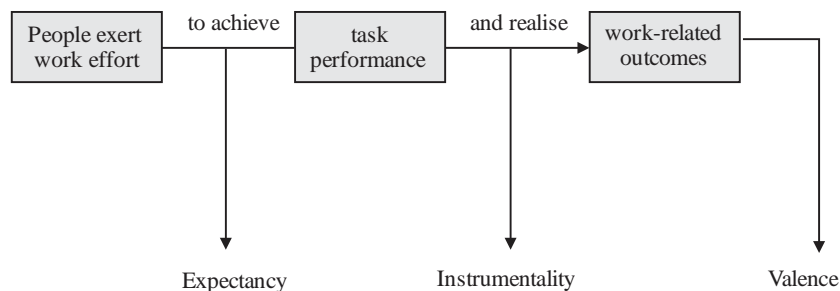
Expectancy:- Expectancy refers to the belief that hard work leads to performance. In some situations, employees may believe that they can unquestionably accomplish the task. In other situations, they expect that even their highest level of effort will not result in the desired performance level. Expectancy is simple probability and therefore ranges from 0 to +1. 0 indicates that task performance does not follow hard work and +1 signifies that task accomplishment is 100 per cent assured.

Instrumentality Even if an employee works hard and performs at peak level, motivation may not occur if that performance is not suitably rewarded. In other words performance is not perceived as instrumental in bringing about rewards. Instrumentality also varies from 1, (meaning the reward is 100 per cent certain to follow) to 0 (indicating that there is no chance that performance fetches desired rewards). Vroom's position of instrumentality is to vary it from -1 to +1. But we have assumed instrumentality to vary from 0 to 1 for simplicity sake)

Valence Valence refers to the preference for an outcome. In other hands, valence is the value the individual attaches to a work outcome. Valence forms a scale from -1 (highly undesirable outcome) to +1 (highly desirable outcome). Obviously, someone who does not care about the rewards offered by the organisation is not motivated to attain them. Only those rewards that have a high positive valence (+1) to their recipients will motivate behaviour.

In summary, according to expectancy theory-

Motivation = Expectancy \times Instrumentality \times Valence (See Fig. 10.6)



Managers of successful firms strive to ensure that employees' levels of expectancy, instrumentality and valence are high so that they will be highly motivated as is illustrated by Motorola's efforts at managing globally (See Exhibit 10.1).

Evaluation of Theory: The expectancy model has been both appreciated as well as criticised. One of the appealing characteristics of expectancy model is that it

provides clear guidelines for increasing employee motivation by altering the person's expectancies, instrumentalities and valences.

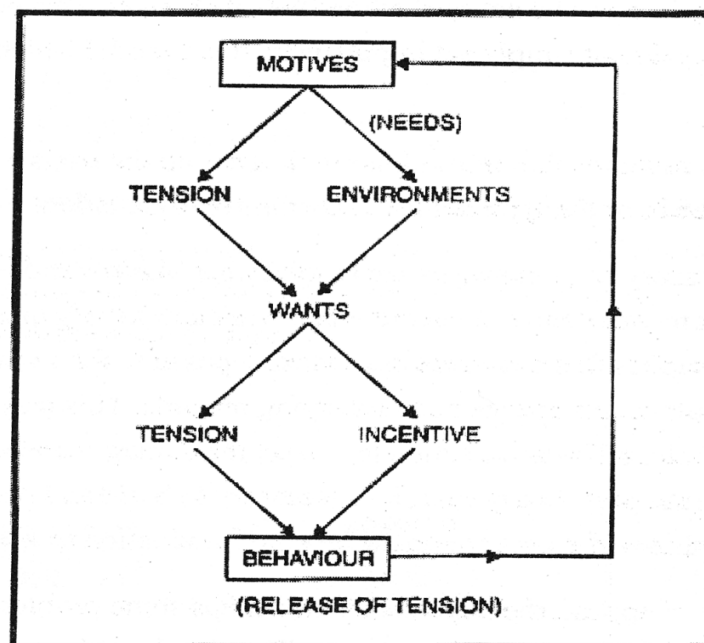
The expectancy model as expected is a cognitive theory. Individuals are viewed as thinking, and reasoning beings who have beliefs and anticipations concerning future events in their lives. They do not simply act impulsively. It is a model which values human dignity. This theory also assumes that individuals do not act on the basis of strong internal drives, unmet needs, or the application of satisfiers or dissatisfiers.

The expectancy theory helps managers see beyond what Maslow and Herzberg showed that motivation to work can only occur when work can satisfy unsatisfied needs. Vroom's theory implies that managers must make it possible for an employee to see that effort can result in appropriate need satisfying rewards. This may require special efforts, for example, affirmative action to correct the damage caused by any discriminative action in the past. In any case, it is necessary to build and maintain a climate of expectancies that will support requisite levels of motivation to work.

Despite its general appeal, the expectancy model has some problems. Like any newer model, it needs to be tested to learn how well research evidence supports it. For example, the numerous relationships among the three variables are still open to question. It is also important to discover what kinds of behaviour the model explains and to which situations it does not very well apply.

10.11 MOTIVATION AND BEHAVIOUR

Motivation causes **GOAL-DIRECTED BEHAVIOUR**. If a person strongly feels the need of something he will behave in such a way that he tries to satisfy himself so that he does not feel the lack of that particular thing. This can be explained as follows with the help of a figure.



Needs that Affect the Human Behaviour:

A human need creates tension in the mind of the individual and this need transforms itself into want depending upon the environment. Again, there will be tension in the mind which will be satisfied only by a particular behaviour of the individual which will release the tension. That particular behaviour may be caused by the incentives, which exist to satisfy the need. Satisfaction of one need will lead to the feeling of another different need or the same need at an interval of time. Thus, this process is a continuous one.

However, if the need is not satisfied because of some reasons, the person may feel frustration. Frustration can be defined as the accumulation of tension because of non-fulfillment of needs. At this stage, the person will try to modify his behaviour to eliminate factors responsible for non-fulfillment of his needs in one particular situation only. There will be numerous such factors, some of which will be beyond his control. Thus, the situation can be that he is not in a position to remove his frustration by satisfaction of needs.

Frustration is not an ideal situation for an individual, so he will try to change this situation by choosing some alternative behaviour. As human beings are different from each other, this type of behaviour will not be uniform.

However, some common forms of behaviour are

1. Aggression:

A person who is denied the need satisfaction may become aggressive. Different forms of aggression may be displacement (attacking the source of frustration or towards some other object), Negativism (passive resistance operating consciously or unconsciously) and fixation (non-adjustive reaction).

2. Withdrawal:

Another way of overcoming frustration is withdrawing from the scene physically or psychologically. The different forms of withdrawal may be fantasy, regression or flight

3. Compromise :

The individual try to compromise the situation. Various forms of compromise may be identification, projection, rationalization or reaction formation.

10.12. LET US SUM UP

It is necessary to be precise in defining attitudes , because the variety of published definitions and descriptions is almost endless. Like any other concepts

attitudes may also be defined in two ways -conceptual and operational . Even there is quite a difference in the conceptual definition of the term attitude, and divergent points of view regarding the concept of attitude have developed. The researchers on attitudes tend to define the term on two major aspects: set and readiness, and effect and evaluation. Attitudes are evaluative statements either favourable or unfavourable concerning objects, people or events.

Motivation is one of the most frequently researched topics in OB. In spite of the facts that managers continue to search for innovative ways to motivate their employees and that a significant proportion of today's workers seem to be unmotivated, we actually know a great deal about how to improve employee motivation. In this chapter and the following one, we'll review the basics of motivation, assess a number of motivation theories, provide an integrative model that shows how the best of these theories fit together, and offer some guidelines for designing effective motivation programs.

10.13 GLOSSARY

- **Attitude :** It is the organisation of perceptions and cognitions about some aspects of individual's world.
- **Motivation -** to encourage people to accomplish organisational tasks.

10.14 SELFASSESSMENT QUESTION

1. Define attitude

2. What do you mean by motivation?

10.15 LESSON END EXERCISE

1. Discuss the theories of attitude formation.

2. Define attitude change

3. Explain various theories of motivation.

Answers to Check your Progress

- A. (i) Leon Festinger
(ii) how attitudes are shaped by the needs of the individual
- B. (i) Characteristics of attitude, personality of attitude holder, Group affiliation of attitude holder
(ii) Cohen
- C. (i) a (ii) d (iii) c

10.16 SUGGESTED READINGS

1. P. Subba Rao, Organisational behaviour, Himalaya Publishing House, Indore, M.P., 12th March 2017
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M.Com 1st Sem

Course No M.Com-C 152

Unit III

Lesson No. 11

TRANSACTIONAL ANALYSIS
EGO STATES LIFE SCRIPT LIFE POSITIONS

STRUCTURE

- 11.0 Learning Objectives and Learning Outcomes
- 11.1 Introduction
- 11.2 Meaning of Transactional Analysis
- 11.3 Importance of TA
- 11.4 Limitations of Transactional Analysis
- 11.5 Types of Transactional Analysis, Levels of Self Awareness
 - 11.5.1 Ego States
 - 11.5.2 Level of Self Awareness
 - 11.5.3 Life Script
 - 11.5.4 Life Positions
 - 11.5.5 Transactions
 - 11.5.6 Stroking
 - 11.5.7 Psychological Games
- 11.6 Benefits/Uses of Transactional Analysis
- 11.7 Let us sum up
- 11.8 Glossary
- 11.9 Self Assessment Questions
- 11.10 Lesson End Exercise
- 11.11 Suggested Readings

11.0 LEARNING OBJECTIVES

- (i) To impart knowledge to the learners about the concept of Transactional Analysis
- (ii) To provide insight about the concept of Ego states.
- (iii) To provide knowledge to the learners about the life script, life positions and stroking.

LEARNING OUTCOMES

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

- (i) define and understand the concept of transactional analysis, levels of self awareness
- (ii) understand the concept of ego states.
- (iii) Discuss life script, life positions, stroking

11.1 INTRODUCTION

Analysis of the social transaction is called Transactional Analysis. “The study of moves people make in their dealings with each other and is based on the idea that people’s interactions resemble moves in games.

Transactional Analysis (T.A) was founded by Eric Berne. Transactional Analysis theories help to enrich dealings with people and understand oneself. Berne has described Transactional Analysis. He said that verbal communication is the center of human social relationships and psychoanalysis. The culmination of an ability to communicate effectively is an enhancement of the state of our interpersonal relations. Team work brings efficiency in working. To work effectively with others, the understanding of Transactional Analysis is essential. The knowledge of harmonious interpersonal Relations is required for the effective functioning of the Organisation.

11.2 MEANING OF TRANSACTIONAL ANALYSIS (T.A.)

When two people are transacting, there are three ego states that are actually involved. These are the Parent ego state, the Adult ego state and the Child ego state. Each ego state is distinct and separate source of behaviour and affects the whole in a characteristic manner. Stimulus and Response can emanate from any one of these ego states. The subject of Transactional Analysis is concerned with identifying the ego states from which each stimulus and response originates. Understanding transactions through analysis helps people to change their attitude and to adjust themselves to others. Transactions are classified as Complementary, Crossed and Ulterior.

When a stimulus originating from a particular ego state gets a predicted response from a specific ego state of another person the resulting transaction is said to be complementary. A crossed transaction takes place as a result of unexpected response being made by the person to whom the original stimulus is sent. A crossed transaction is the source of interpersonal conflict and can lead to communication breakdown. A more complex type of response is Ulterior Transaction, in this more than two ego states are involved

Transaction Analysis is an important tool to both understand why we behave the way we do and to understand the behaviour of others. TA would help put in correct perspective, the behaviours of others, which otherwise we would have termed as being irrational.

Strokes: The Strokes can be Positive and Negative. These are the gestures or signals that a person gives when he shows that he is willing or unwilling.

Positive Strokes: Positive strokes are growth promoting. They develop a person emotionally and give him an OK feeling and a sense of competence and acceptance. Stroking can be done through verbal as well as non verbal communication

Negative Strokes : When a person is not given any strokes he may even provoke others to give him negative strokes. When a person is being ignored , it is a negative stroke.

The average person needs a certain amount of self esteem in order to be well adjusted to his work. A high self esteem coupled with an above average intelligence will produce the best results , on the other hand a low self esteem will debilitate even high levels of intelligence and result in disgruntled individuals. The basic need of most of the people is the approval of the group in which they work. This creates a sense of belongingness and helps the team to function better. The most important and basic necessity in interpersonal relations is a feeling of security and assurance that he will be treated and fairly judged by his superiors.

Modern Transactional Analysis:

Transactional Analysis is a theory which operates on each on the following:

A theory of personality

A model of communication

A study of repetitive patterns of behaviour

The original three parent, adult-child components were subdivided to form a new seven element model by Joines and Mountain. This established controlling and nurturing aspects of the Parent mode, each with positive and negative aspects, and the adapted and free aspects of the Child mode, again with positive and negative aspects.

Parent- is now represented as a circle with four quadrants

Nurturing- Nurturing and spoiling

Controlling- Structuring and Critical

Adult remains a single entity representing an accounting function or mode which can draw on the resources of both Parent and Child

- i) Child- Child is represented as circle with four quadrants
- ii) Adapted- Cooperative and Compliant
- iii) Free- Spontaneous and Immature

Where previously Transactional Analysis suggested that effective communications were complementary, the modern interpretation suggests that effective communications and relationships are based on complementary transactions to and from positive quadrants. Stimulus can come from any of these seven ego states, to any or some of the respondents seven ego states.

11.3 IMPORTANCE OF TRANSACTIONAL ANALYSIS (T.A)

1. The bases of TA is simple to learn.
2. The Validity of TA is demonstrable.

3. It provides a means for reducing the amount of bad feelings experiencing by individuals.
4. It increases efficient use of time.
5. Helps promote effective communication.
6. It is applicable at home as it is at work.
7. It reinforces and implements other management development activities including communication, leadership, brainstorming, and management by objectives, Job enrichment, conflict resolution and the title.

11.4 LIMITATIONS OF TRANSACTIONAL ANALYSIS

1. Few scientific studies of its outcome are available.
2. Ego states, basic to understand and utilize TA, are difficult to define.
3. If appropriately applied, TA tends to encourage amateur psychologies.
4. TA jargon may add to more 'Cuteness' than insight into human encounter.
5. It can be used as a put down, or a discount, in inter personal relations.

11.5 TYPES OF TRANSACTIONAL ANALYSIS

11.5.1 Ego States

Basic to T.A is the assumption that a person has three ego states viz., parent, adult and child.

- i) **Parent ego state:** It represents the part of a person's personality that is authoritative, dogmatic, over protective, controlling, nurturing, critical and righteous. These characteristics are usually learnt from one's early life experience. The parent is therefore the 'taught' ego state.
- ii) **Adult ego state:** Adult ego state represents the mature, rational and objective part of a person's personality. These characteristics are acquired as one matures into adolescence and adulthood.

- iii) **Child ego state:** Represent the childish dependent and immature part of a person's personality. These characteristics grow out of one's childhood experiences.

Social Transactions :

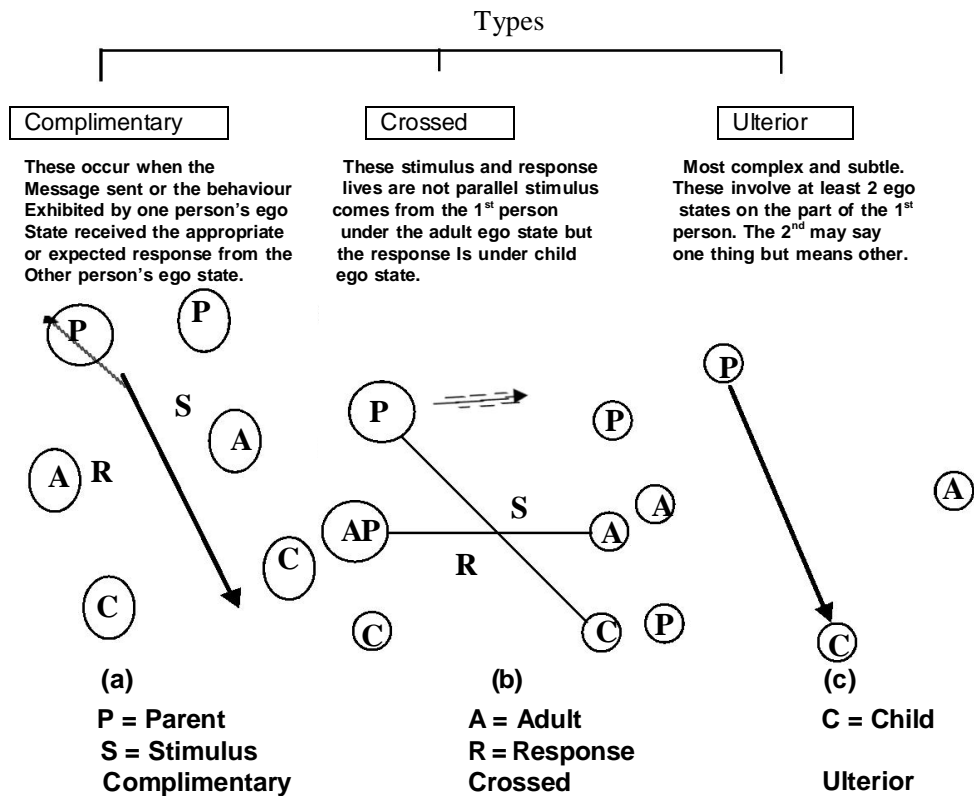


Figure 11.1

Managerial Implications of TA :

The knowledge of T.A. helps the organisation to function properly. It reinforces and implements management development activities like communication, leadership, brainstorming, management by objectives job enrichment conflict resolution etc

T.A helps to explain the phenomenon of interpersonal conflict. The organisation

can function smoothly by:

- 1) Problem solving or
- 2) Problem avoidance

T.A helps in avoidance of problem by resolving interpersonal conflict by encouraging as many complementary transactions as possible between positive to the conflict e.g. Interaction between two adult ego states will improve communication. Improved communication is the sure way of resolving conflict.

Managers know that conflict is inurtable, from the point of employee performance and satisfaction. Such activities as hiding information, making misleading statements, postponing meetings and advising organisation members 'not to rock the boat' and 'to be a compan man', on the part of the managers so that they need not face conflict do no good for furthing the interest of organisation.

Stimulation of conflict is required enhancing the organisational performance. If it is not done then, there is no change new ideas are not coming compromise is seen on decision making.

Managers must adopt the following approaches to stimulate conflict for better organisational performance.

- 1) Encourage individualistic thinking
- 2) Increase individual competition.
- 3) Provide information
- 4) Create role conflict
- 5) Change organisational structure

Knowledge of transactional Analysis will help the managers ensure that conflict is at optimum level. It will help prevent stagnation, stimulate creativity allow to release tension and initials the seeds for change .

Managers need to establish rules and standard procedures to regulate conflict

and apply transactional Analysis for better results.

11.5.2 Levels of Self Awareness : The dyadic relationship can be thought of as composed of interself. Self is the core of personality pattern which provides interaction. Such a concept is cognitive : it describes the self in terms of image, both conscious and unconscious. A central construct in the interself is the image of relationships-those aspects of the codes and means of the interperson known and shared by its participants. Other portions of these codes are hidden to the members and yet may be known to others. Joseph Luft and Harrington Ingham have developed a diagram that gives to look at what one is conscious in one's social exchanges and what one is not. Their Johari window diagram (named by combining the first few letters of their names) looks like this.

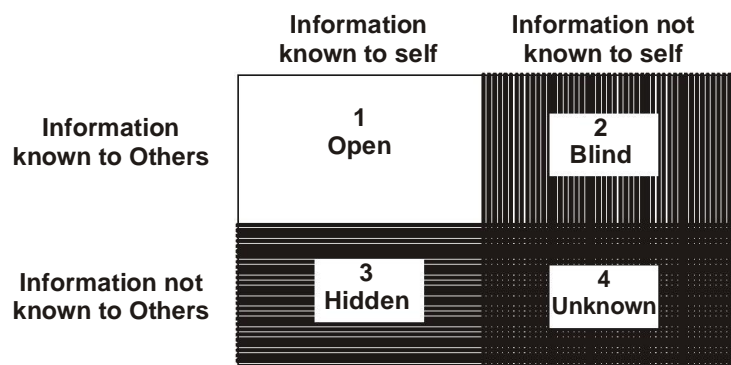


Fig. 11.2 Johari Window

This model is made up of four different quadrants that together represent total person in relation to others on the basis of awareness of behaviour, feeling and motivation. Each quadrant is defined as follows :

1. **The Open Self :** The open quadrant refers to states about an individual such as behaviours, feelings, and motives that he knows and is willing to share with others. Sometimes, in a relationship, the individual is straightforward, open and sharing. It is clear to both what he is doing, how he is feeling, and what his motives are.
2. **The Blind Self :** The blind quadrant refers to states about an individual

known to others but not known to him. Other people know what is happening to him but he is not aware of it. Often such blind behaviour is copied by the individual from significant people unconsciously right since the childhood. Because such a behaviour is copied unconsciously, people may not be aware about it. Jongeward and Seyer observe that subtle bars to our personal effectiveness are often our blind quadrant. We may speak in certain way - with a tone of voice, a look on our face, a gesture - that we are blind to, but other people are acutely aware of it. In fact, our manner can affect how they perceive us and, they believe they can interact with us.

3. **The Hidden Self :** the hidden quadrant refers to states about the individual known to him but not known to others. This is private and only the person concerned knows what is happening. The hidden self is within the vision of the individual but he does not want to share with others. People learn to hide many feelings and ideas right from their childhood.
4. **The Unknown Self :** The unknown quadrant refers to states that neither the individual nor other people know about him. The unknown self is mysterious. Many times, motives and feelings go very deep and no one, including the person concerned, knows about these. People often experience these parts of life in dreams or in deeprooted fears or compulsions. These acts, feelings, and motives remain vague and unclear to people until they allow them to surface.

11.5.3 Life Script

When confronted with a situation, a person acts according to this script which based on what he expects or how he views his life position. In a sense, man's behaviours becomes quasi- programmed by the script which emerges out of life experience. In everyday language, a script is the text of a play, motion picture, or radio programme. In TA, a person's life is compared to a play and the script is the text of that play. A person's psychological script is a life plan. a drama which he writes and then feels compelled to live out. Thus every person has a life script. Script analysis is an examination of transactions and interactions to determine the nature of one's life script.

11.5.4 Life Positions

The individual's behaviour towards others is largely based on specific assumptions that are made early in life. Very early in the childhood, a person develops from experience a dominant philosophy. Such philosophy is tied into their identity, sense of worth and perceptions of other people. This tends to remain with the person for life time unless major experiences occur to change it. Such positions are called life positions or psychological positions and fall into four categories as shown in Figure 11.3.

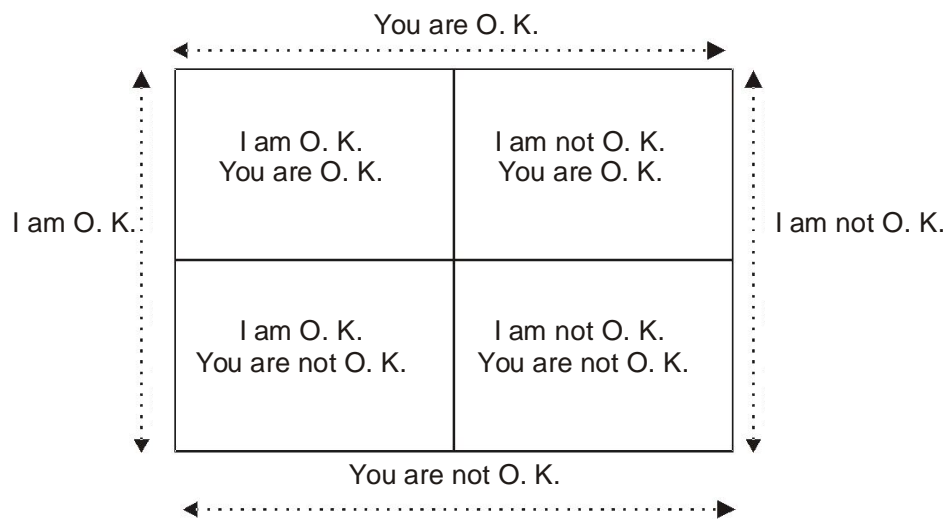


Figure 11.3 : Psychological Positions

1. **I am O. K. you are O. K. :** This is a rationally chosen life position. It is made after the individual has a large number of O. K. experiences with others. People with this position about themselves and others can solve their problems constructively. They accept the significance of other people and feel that life is worth living. This is based on adult ego. When managers work from this position, they are likely to express more consistent pattern of confidence. They display a much higher level of mutual give and take. They display a much higher level of mutual give and take. They are able to express freely what they feel good about others because it offers little threat to them. They delegate authority and feel comfortable with a spread of authority.

2. **I am O. K. You are not O. K. :** This position is taken by people who feel victimised or persecuted. They blame others for their miseries. This is the case of aggrieved person with an attitude that whatever they do is right. This is a distrustful life position. It usually results when a person was too much ignored when he was a child. These are the people with rebellion child ego. In this life position, the persons operate with parent ego. Managers operating with this position are likely to give critical and oppressive remarks. They tend to point out the flaws, the bad things, rarely giving any warm, genuinely carrying feelings. They lack trust or confidence in the intelligence, skills, and talents of others. They do not believe delegation of authority and feel that decentralisation is a threat.
3. **I am not O.K. you are O. K. :** This position is common to persons who feel powerlessness in comparison to others. It is based on one's feelings about oneself. Individuals who feel a clear distinction between themselves and the people around them who could do many things that the individuals could not do, hold this life position. Persons with this life position always grumble for one thing or the other. Managers operating from this position tend to give and receive bad feelings. They often use their bad feelings as an excuse to act out against others, and when the whole thing comes full circle even they feel guilty for their acts and turn their bad feelings against themselves. They tend to vacillate in their behaviour and are often unpredictable and erratic.
4. **I am not O. K. you are not O. K. :** This is a desperate life position. This position is taken by those people who lose interest in living. They feel that life is not worthy living at all. In extreme cases, they commit suicide or homicide. This is the case of individuals who are neglected seriously by their parents and are brought by servants., Managers operating from this position, are likely to get put down strokes from others. They do not make decisions in time : make stupid mistakes or otherwise provoke others to give them negative reactions. They lack personal potency, look to others for final decisions, and delegate inappropriately.

A. CHECK YOUR PROGRESS

Match the following

- | | |
|---------------------------------|----------------------------------------------------------------------------|
| (i) I am OK You are OK | (a) People blame others for their miseries |
| (ii) I am OK You are not OK | (b) People accept the significance of others. |
| (iii) I am not OK you are OK | (c) Desperate life position, lose interest in everything |
| (iv) I am not OK you are not OK | (d) People here clear distinction between themselves & people around them. |

11.5.5 Transactions

When people interact, they involve in a transaction with others. Thus when a stimulate (verbal or non verbal) from a person is being responded by another persons transactions is said to occur. The transaction is routed from ego states. Depending on the ego states of persons involved in transactions, there may be three types of transactions - complementary. crossed and ulterior.

Complementary Transactions

A transaction is complementary when the stimulus and response patterns from one ego state to another are parallel. Thus the message by a person gets the predicated response from other person. In all, there can be nine complementary transactions. These are adult-adult, parent-child, child-parent etc. The transaction is complementary because both are acting in the perceived and expected ego states. Usually in such case, both persons are satisfied and communication is complete. Three complementary transactions are elaborated as follows :

1. **Adult-Adult Transactions :** The manager in the adult ego state tries to reason out issues, clarifies and informs employees of issues, and has concern for facts and figures and human needs. His life position is I am O. K. you are O. K..’ This is an ideal transaction. Complementary transactions in these ego states are very effective because both persons are acting in a rational manner. Data is processed, decisions are made and both parties are working for the solution. Satisfaction is achieved by both persons from the solution rather than one person (superior) having other person (subordinate) a dutiful employee or the subordinate only trying to please his superior. However there are some inherent disadvantages to the adult-adult transactions. The elimination of the child ego can make the transactions dull due to the lack of stimulation the child can provide. Sometimes adult-adult level may prevent decisions being reached case, the superior may have to take the decision with his parent ego state. In general however, this is the best type of transactions for organisational functioning. Adult- Adult transactions may be presented in the following figure 11.4.

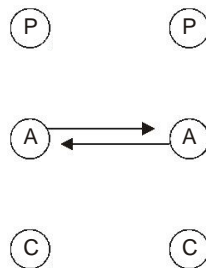


Figure 11.4 : Adult - Adult Transaction

2. **Adult - Parent Transaction :** In adult-parent transaction, while the manager attempts to use the information he has processed, the employee in the parent ego prefers to use cliches and rules of the past. The employee tries to control and dominate the managers by using the parent ego. This transaction style can be effective only on a temporary basis. It can help a new manager understand the rules and guidance under which the employee operates. There are many problems in this transaction style. An employee in the parent ego may create hostile feelings towards managers with adult ego, particularly in the long run. The employee may create other problem when other employees are working with their child ego and recognising his parent ego because he may have better interaction with other employees.
3. **Adult-Child Transaction :** Adult Child interaction can be effective when the manager is aware of the ego state of the employee. In such a case, the manager can allow the employee in the child ego to be creative. But there may be problem in this interaction when the employee acts irrationally because of his child ego. Another problem in this context may be in the form of assumption of employee's ego who may be taken in adult ego but this assumption may not hold good. This creates a situation that may be frustrating to the manager and the employee.

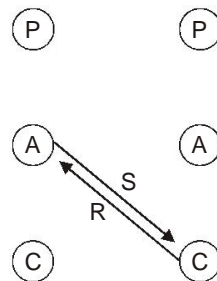


Figure 11.5: Adult Child Transaction

4. **Parent - Parent Transaction :** The manager in the parent ego use 'I am O.K. you are not O.K.' life position. He will be a source of admonitions, rewards, rules criticisms, praise. The parent-parent transaction can be beneficial in cases where employee joins forces with the manager and supports him. There are certain disadvantages of this type of situation. This may lead to unnecessary competition between the manager and the employee because the latter will promote his own idea rather than those of the manager.

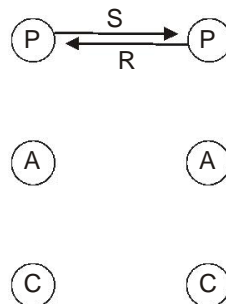


Figure 11.6 : Parent - Parent Transaction

5. **Parent-Adult Transaction :** In this type of transaction, the manager may be frustrated because the employee will not perform as directed. At the same time, the employee may also feel frustration because of the manager's failures to act as adult. Due to frustration, such a relationship may not last long.

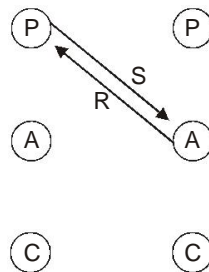


Figure 11.7 : Parent-Adult Transaction

6. **Parent - Child Transaction :** This may be the ideal situation if the manager is interacting with parent ego and the employee is acting in his child ego. The employee finds this transaction advantageous in that it eliminates much responsibility and pressure. The child prevents much conflict and provides for ease of operation. However, this situation may not be advantageous in the long run. This depends on the feeling that employees are not capable of doing anything. The employee suffers from this interaction because he has to surrender his adult ego. He may feel frustration because he feels his personality is not developed.

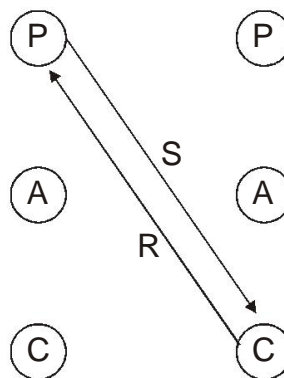


Figure 11.8 : Parent-Child Transaction

7. **Child-Parent Transaction :** The manager in the child ego may contribute very little to the effectiveness of management. This is so that, though creativity is one of the characteristics of child, the role of a manager goes beyond this

creativity. In the child-parent transaction, the employee controls the manager in the child ego. The parent will be strong and bearing on the child, and the manager will yield to the employee. The employee may hold treats of punishment to the manager in the form of ridicule, loss of popularity, or even in demotion.

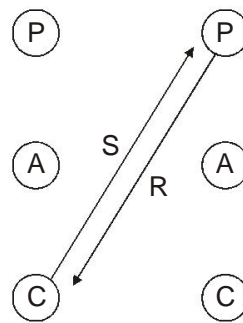


Figure 11.9 : Child-Parent Transaction

8. **Child-Adult Transaction :** In this transaction, the adult employee will control child manager. The employee may become discouraged particularly when the manager makes decisions on the basis of whims, fancies, and emotions which pose problems to employee who wants to interact on the basis of rationality. A major disadvantage of this transaction is that the organisation may lose many good employees, particularly those who act on rational basis.

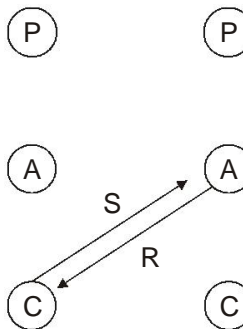


Figure 11.10 : Child-Adult Transaction

9. **Child-Child Transaction :** The manager interacting in child-child egos is not capable of leading his employee successfully and proves to be a liability to the organisation. This transaction may not be lasting because the organisation will

review performance. Both manager and employee are acting on whim and fancy, consequently jeopardising the organisational performance.

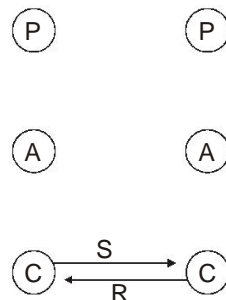


Figure 11.11 : Child-Child Transaction

Although all these are possible complementary transactions in the organisation because the line of communication is parallel, not all of these are ideal for the organisation or for the people concerned. From this point of view, only adult-adult transactions are good. In some circumstances, as discussed earlier, parent-child complementary transactions may be good.

Non-Complementary Transactions

Non-complementary or crossed transactions may occur when the stimulus-response lines are not parallel. This happens when the person who initiates transaction expecting a certain response does not get it. The position has been shown in the following figure.

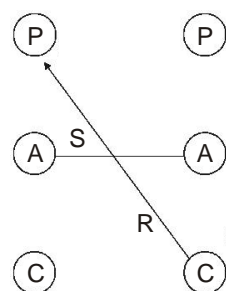


Figure 11.12 : Non-Complimentary Transactions

In this case, the manager tries to deal with the employee on adult-to-adult basis but the employee responds on child-to-parent basis and the communication is blocked. Crossed transaction is not a satisfactory one because the line of communication

is blocked and the further transaction does not take place. In such a case, the manager might refuse to play parent-child game and may try again for an adult communication. Another alternative for the manager may be to move parent-child state in order to resume communication with the employee.

11.5.6 Stroking

Stroking is an important aspect of transactional analysis (TA). It is defined as any act implying recognition of another's presence. The work stroking has originated from the studies of the needs that babies have for physical affection for complete psychological development. Now it applies to all types of recognition. People seek recognition in interaction with others. Lack of stroking has its consequence both on physiological and psychological well-being of the persons. The future of autonomy of a person depends upon the type of stroking he gets since his childhood. Jongeward and Seyer observe that people need strokes for their sense of survival and well-being on the job. In fact, strokes are a basic unit of motivation. As a general guide :

1. the quantity and quality of strokes werves as either positive or negative motivation for employees.
2. a good share of staisfaction we get from work depends on the strokes available from other people; and
3. we can get strokes from the activities of the work itself-specially if what we are doing really fit and we can take responsibility for it.

For positive results on the job, it is crucial to give people positive strokes. If a person does not get proper strokes, he learns to manipulate the environmental to get strokes. Even if he is not able to get stroking after manipulating, he settles for a state which gives negative strokes. This process may continue even after child grows order unless he updates his original experience and becomes aware of the reality.

There are two types of strokes - positive and negative. The strokes that makes one feel O.K. is a positive one. Words of recognition, affection, part on the back are some of the examples of positive strokes. As against this, the stroke that makes one feel as not O.K. is a negative one. Critics, hating and scolding are the examples of

negative strokes. However, people do not always seek positive strokes only. They may seek negative strokes also for such reasons as guilt or a low self-image. The negative stroke completes a social transaction for the people as they think it should be, that is, it provides social equilibrium from their point of view. For example, when a superior criticises his subordinate for committing certain mistake, the latter may feel relieved of his mistake since expected punishment has been received. However, negative strokes rarely change the undesirable behaviour. The positive behaviour can be secured by avoiding the punishing parent-to-child approach and initiating an adult-to-adult interaction. Further giving and receiving of positive strokes can be learned and people can make efforts to give positive strokes.

11.5.7 Psychological Games

Psychological game is a set of transactions with three characteristics :

- 1.) The transaction tends to be repeated ;
- 2.) They make sense on superficial or social level; and
- 3.) One or more of the transactions is ulterior.

The set of transactions ends with a predictable payoff—a negative feeling. Payoffs usually reinforce a decision made in childhood about oneself or about others. They affect feelings on non-OKness. When people play games, they do things like this : fail to become thorough for others, pass the buck, make mistakes, complain about and dote on their own sorrows and inadequacies and catch others in the act. Psychological games can be a powerful force in preventing people and organisations from becoming winners.

Game players usually assume one of three basic roles : victim, persecutor, or rescuer. Persecutors are characterised by such people who make unrealistic rules, enforce victims are people who provoke others to put them down, use them, and to hurt them; send them helpless messages, forget conveniently and act confused. Rescuers are characterised by people who offer helpfulness to keep others dependent on them, do not really help others and may actually dislike helping, and work to attain the victim role so they can continue to play rescuer. These three roles are not independent, rather the players of psychological games often switch back and forth in their roles. In many circumstances such characteristics may be real. For example, people may be

really victimised personally or politically, or discriminated against on the job. In such a case they are real victims. However, psychological game denoted that people assume the role of game players, and differ from reality.

11.6 BENEFITS AND USES OF TRANSACTIONAL ANALYSIS

TA is an approach towards understanding human behaviour. Thus it can be applied to any field of human interactions. This is more particularly related when people come for interaction and that too in interpersonal relationships. Following are some of the specific areas where TA can be applied beneficially.

i) Developing Positive Thinking

TA is applied to bring positive actions from people because TA brings positive approach towards life and hence positive actions. TA brings a clear change from negative feelings - confusion, defeat, fear, frustration, loneliness, pessimism and suppression - positive feelings - clear thinking, victory, achievement, courage, gratification, decision attitude is a source of psychic energy. Positive attitude makes people stronger and negative attitude makes them exhausting. Whole objective of TA training programme is directed towards positive thinking. Thus its application can enhance the trust and credibility felt towards the organisation which are essential for good employee relations. Some of the specific areas for developing positive thinking through TA are stroking positive reinforcement, inner dialogue as related to decision-making, active listening and time-structuring.

ii) Interpersonal Effectiveness

TA improves interpersonal relationship by providing understanding of ego states of persons involved in interaction. It emphasises complementary transactions which ensure complete communication and problem-solving approach. Since complementary transactions can be learned by individuals in the organisation, people can improve interpersonal relations through TA. The effective managers may be able to analyse transactions with employees in the organisation. TA provides them with a theoretical framework within which to examine interactions with the employees. The managers may be able to identify the ego states from which both parties are interacting. A better

understanding of themselves and of other persons will make them more comfortable, confident, and effective. The improved interpersonal relations will bring effectiveness to the organisation.

iii) Motivation

TA can be applied in motivation where it helps in satisfying human needs through complementary transactions and positive strokes. Managers can enrich jobs for people by helping them to engage in kinds of activities that give them more positive strokes. It emphasises strokes from the intrinsic value of the work, rather than depending entirely on strokes from outside (extrinsic). The job enrichment in this case means increasing the number of intrinsic strokes gained from the work activity. TA helps in changing the managerial styles more suitable to the emergent situation. In this context, TA may be compared with McGregor's Theory X and Y. The theory X manager emphasises parent-child relationship and uses terms like should be, have to, must and so on. He adopts a life position of I'm O.K. you are not O.K. which is not a healthy position. I'm O.K. you are O.K. which is motivating for employees and beneficial to the organisation as a whole.

iv) Organisation Development

Organisation development applies a humanistic value system to work behaviour and a reorientation of man's thinking and behaviour towards his work organisation. The major goal of organisation development is to fight the past in the present in order to choose freely the future. TA can help in the organisation development process. Jungeward has identified the role of TA in six areas of organisation development : to maintain adult-adult transactions, to give an OK to the natural child, to identify and untangle quickly crossed transactions to minimise destructive game playing to maximise encounters (intimacy) and to develop supportive systems, policies, and work environment. TA can be compared with managerial grid of Blake and Mouton, a technique for adapting appropriate leadership styles and organisation development.. Various leadership styles may be described in terms of life positions, ego states and transactions. For example, the 9-1 manager uses parent-child transaction, the 1-9 manager acts from child ego state, the 9-9 manager acts from adult ego and effectively

makes use of parent and child ego states. In the managerial grid, 9-9 style is the most desirable which corresponds with adult-adult transaction which is best according to TA.

Besides these major areas, TA can be utilised anywhere the people come to interact. Jongeward has suggested that transactional analysis is a practical and useful interrelationship model for organisations because

1. It is easy to learn,
2. It gives positive communication tool that is practical and almost immediately usable.
3. It helps to increase a person's on the job effectiveness because of better self-understanding and greater insight into personalities and transactions,
4. It may help to solve personal and family problems.
5. It gives a common language for people working together to attempt to solve their own communication problem.
6. It is a non-threatening approach to self-evaluation, and
7. It offers a method for analysing not only people but also organisational scripts.

11.7 LET US SUM UP

Transactional Analysis helps the personnel in the Organisation to understand the different ego states which results in better interpersonal and intergroup behaviour. This in turn will result in organisational effectiveness.

11.8 GLOSSARY

- Transactional Analysis - Analysis of Social transactions.
- Stroking - It refers to an act of implying recognition of another's presence.

11.9 SELFASSESSMENT QUESTIONS

- 1 Give one example of Transactional Analysis in Adult—Child interaction

11.10 LESSON END EXERCISE

2. Explain the managerial implications of Transactional Analysis

Answers to Check your Progress

- A. (i) b (ii) a (iii) d (iv) c

11.11 SUGGESTED READINGS

1. P. Subba Rao, Organisational behaviour, Himalaya Publishing House, Indore, M.P., 12th March 2017
2. Stephen P. Robbins, Timothy A. Judge, Neharika Vohra, Organisational behaviour, Pearson, India Education Services Pvt. Ltd., 2018.
3. K. Aswathappa, G. Sudarsana Reddy, Management and Organisational Behaviour, Himalaya Publishing House, 2020.
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5. R.R. Kapoor, Organisational Behaviour, Black & Black, 2024.

M.Com 1st Sem

Course No M.Com-C 152

Unit III

Lesson No. 12

GROUP BEHAVIOUR - FORMAL AND INFORMAL GROUP

STRUCTURE

- 12.0 Learning Objectives and Learning Outcomes
- 12.1 Introduction
- 12.2 Meaning of Group Behaviour
- 12.3 Nature of Groups
- 12.4 Types of Groups
- 12.5 Five Stage Model of Group Development
- 12.6 Formal and Informal Groups / Organisations
- 12.7 Let us sum up
- 12.8 Glossary
- 12.9 Self Assessment Questions
- 12.10 Lesson End Exercises
- 12.11 Suggested Readings

12.0 LEARNING OBJECTIVES

- (i) To acquaint the learners about the concept of informal groups.
- (ii) To impart knowledge about the determinants of group behaviour
- (iii) To provide insight about the concept of group structure.

LEARNING OUTCOMES

After going through this lesson, you will be able:

- (i) to explain the informal group
- (ii) to list out the determinants of group behaviour
- (iii) to explain group Structure

12.1 INTRODUCTION

Groups are mechanism through which people learn relevant job skills and knowledge. Group members can model correct behaviour, offer feedback on performance and provide direct instructions and assistance to one another. Thus people join group to attain security, status, self-esteem, power and to achieve goals.

12.2 MEANING OF GROUP BEHAVIOUR

The objectives of lesson no. 12 and the following lesson are to provide you with a foundation for understanding how groups work and to show you how to create effective teams. Let's begin by defining groups and explaining why people join them. Many of us like to think that status isn't as important as it was a generation or two, ago. We can point to Equal Rights legislation, open Office designs casual work dress, and employee empowerment as examples of forces that have made organizations more egalitarian. The reality is that we continue to live in an essentially class-structured society.

A **group** is defined as two or more individuals, interacting and interdependent, who have come together to achieve particular objectives.

In the context of groups, it happens that some groups perform well and generate synergy whereas some groups do not perform well and result in social loafing. This happens because there are several factors, both within groups and outside these, which affect group performance.

A group is not an independent identity but is created by an Organisation to perform certain specified work. Thus, a group has to work within the framework

provided by the Organisation. Organisational factors that impose conditions for group working are Organisation's strategy, its resources, rules and regulations, authority structure, performance evaluation and reward. In fact, a group is created to undertake a task which requires a variety of skills and single individual cannot perform that task alone. To the extent, the complementarity among members is achieved, the group would be effective, other factors remaining the same.

Groups provide obvious social interactions and interpersonal fulfillments. A group can provide individual security in the form of direct work, work assistance and technical advice in crisis. It also provides its members a sense of identification and offer opportunities for ego involvement by assisting in group activities

12.3 NATURE OF GROUPS

In the broad sense, a group is any collection of individuals who have mutually dependent relationships. A formal definition of group is that it refers to "a collection of two or more interacting individuals with a stable pattern of relationships between them, who share common goals and who perceive themselves as being a group". Thus, groups possess four common characteristics; (1) interaction among members, (2) common interests or goals, (3) people see them as members, and (4) two or more people are needed to form groups. (See Fig. 12.1).

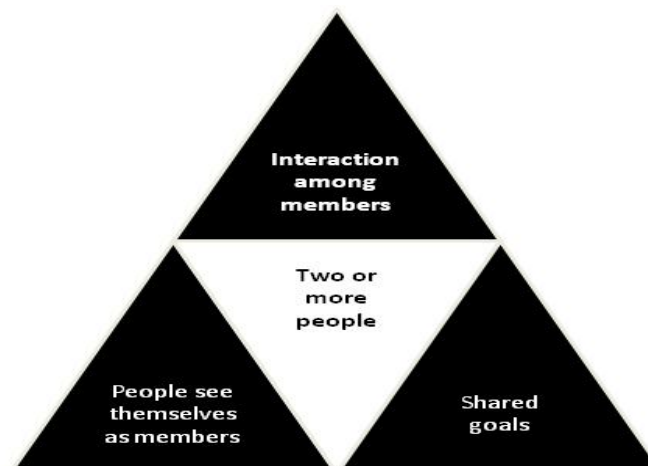


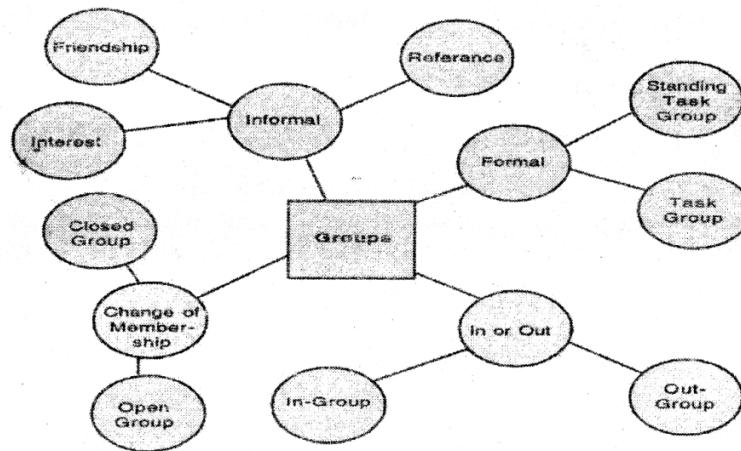
Figure 12.1

Though according to the last characteristic the membership of a group may be two or more, the size will be generally small. The size is limited by the possibilities of mutual interaction, shared interest and mutual awareness. Mere aggregates of people, a crowd in a street-corner watching some event, for example, do not constitute a group because they do not interact, do not perceive themselves to be a group even if they are aware of each other and do not share a common interest. A total department, a union, or a whole organisation would not be a group in spite of thinking of themselves as “we”, because they generally do not interact and are not aware of each other. Though they share a common interest, the interest generally is diffused. Hence, committees, subparts of departments, cliques and various other informal associations among organisational members constitute groups for our purpose here.

12.4 TYPES OF GROUPS

Sociologists and psychologists who study the social behaviour of people in organisations identify several different types of groups. Examples of each of these types can be found in most large organisations. (See Fig. 12.2)

1. Formal and Informal Groups: A formal group is one that is deliberately created to perform a specific task. Members are usually appointed by the organisation, but it may not always be the case. A number of people assigned to a specific task form a formal group. One example of such a group is a committee, and other examples are work units, such as a small department, a research and development laboratory, a management team or a small assembly line. A distinctive feature of formal groups is that a hierarchy of authority exists, with specified member rules and regulations. Rules, regulations, incentives and sanctions guide the behaviour of small groups. Table 12.1 brings out the advantages and disadvantages of formal groups. **Standing task group and task group are two variations of formal groups.**



(i) **A standing task group**, also known as command group, is permanently specified in the organisational structure and consists of a supervisor who exercises formal authority over subordinates. The foreman and his group of subordinates constitute a command group.

(ii) **A task group** is a temporary formal group that is created to solve specific problems. The group comprises employees who work together to complete a particular task or project, but who do not necessarily report to the same supervisor. The employees belong to different departments. They stay together till the task is completed and once the work is completed, the task group usually disbands and members return to their respective task groups.

(iii) **An informal group**, also called a clique, is an alliance that is neither formally structured, nor organisationally determined. Informal groups are natural formations in the work environment which appear in response to the need for social contact. They often develop group out of certain values or concerns which some members find they shelop within formalare. They may also develop across or outside of formal groups. Whatever may be the way of formation, informal groups obviously do not possess formal structures. Rather, member roles are loosely defined, a group at any particular moment. A member's by the bestowing or withholding of social based on member expectations and the needs of behaviour is guided by his own internalised perception off what is appropriate and sanctioned approval.

Interest group, friendship group and reference group are part of informal groups.

TABLE 12.1 ADVANTAGES AND DISADVANTAGES OF GROUPS	
Advantages of Groups	Disadvantages of Groups
Groups bring together people for a specific purpose	Some groups' specific purposes may conflict with the objectives of the organisation or with those of other groups
Groups can achieve positive synergy.	Groups may result in negative synergy, especially when there are disruptive behaviours, ambiguous roles or interpersonal conflicts between group members
Groups can become highly cohesive and high-performance entities.	Groups can become highly cohesive but work against organisational goals.
Individuals can collaborate to achieve a joint goal.	Some people may be able to 'loaf' in groups while others do hard work.
Groups of people with complementary skills, attitudes, experiences and viewpoints may enhance task accomplishment and decision making. subgroups, may experience dysfunctional levels of	Groups of people with similar opinions and viewpoints may make uncreative or poor decisions while groups of people with extreme differences, or with strong conflict in decision making.
Groups may make more risky decisions or more conservative decisions (this will be advantageous in some situations).	Groups may make more risky decisions or more conservative decisions (this will be disadvantageous in some situations).
Information may be more readily shared within groups of people with mutual aims.	Groups comprising members of similar professional or sectional interests may inhibit the sharing of important, challenging ideas from outside the group.
People from collectivist societies are likely to work well in groups.	People from individualistic societies may not work well in groups.
Organising people into groups clarifies goals and activities and enables people to work together on large and complex tasks.	The more people are organised into specific task-related activities, the more they may become different from other groups working on different goals and activities, leading to problematic intergroup relations.
Groups can fulfil individual and organisational needs at the same time.	People in groups may be fulfilling their own needs at the expense of organisational needs.
Groups can be an ideal collection of people to work on particular tasks.	Groups can be of wrong size or combination of people to accomplish what is necessary.
Informal groups can exist that enable informal of individuals who support one another achieving organisational goals.	Informal groups can have members whose goals and networks behaviours conflict (intentionally or unintentionally) towards with organisational goals: Machiavellian and/or political behaviours may be exhibited in such groups.

- (iv) An **interest group** is made up of individuals who affiliate to achieve an objective of mutual interest that may have nothing to do with their formal task group memberships. Working mothers who lobby together to get their organisation to facilitate their multiple roles by providing day care facilities on the premises, flexitime and shared job assignments is an example.
- (v) A **friendship group** also develops on common characteristics such as marital status, political views, college affiliations and sports. Friendship groups are important because they satisfy affiliation needs of their members. Enlightened managers maintain good relations with friendship groups because these groups have tremendous influence on their members that managers would prefer to have directed towards organisational goals.
- (vi) A **reference group** is any group with which an individual identifies for the purpose of forming opinions or making decisions. Reference groups are the bases for many interest and friendship groups, but they may also exist outside of the organisation and still influence a person's behaviour at work. Reference groups are based on such factors as race, gender, politics, religion, social class, education level, profession and the like. Reference groups provide values for individuals on which to base personal decisions and norms that justify social behaviour, both of which may or may not be congruent with organisational preferences.

Although informal groups exist to satisfy individual needs, they also provide company to the formal organisation. Table 12.2 contains some of the primary contributions of informal groups.

TABLE 12.2 CONTRIBUTIONS OF INFORMAL GROUPS

Contributions to individuals	
1.	Satisfaction of social and affiliation needs.
2.	Satisfaction of needs for security and support.
3.	Enhanced status for members if the group is perceived by others as prestigious.
4.	Enhanced feelings of self-esteem if a member is valued by other group members.
5.	Feeling more competent by sharing the power of the group to influence and achieve.
Contributions to Organisations	
1.	Solidify common social values and expectations congruent with organisational culture.
2.	Provide and enforce guidelines for appropriate behaviour.
3.	Provide social satisfaction unlikely for anonymous individual workers to experience.
4.	Provide a sense of identity that often includes a certain degree of status.
5.	Enhance members' access to information.
6.	Help integrate new employees into the formal expectations of the organisation.

2. Open and Closed Groups Another basis for classifying groups is whether they are open or closed. At the one extreme is the completely open group, which is in a constant state of change; at the other extreme is the completely closed group, which is quite stable. Open groups differ from closed groups in four respects - changing membership, frame of reference, time perspective and equilibrium.

With regard to changing group membership, in open groups, true to their nature, members keep changing — new members joining and existing ones leaving.

A good deal of time is devoted to socialising new members. A closed group maintains a relatively stable membership, with few additions and losses in members over time. Power and status relationships are usually well established and fixed.

With regard to frame of reference, it may be mentioned that a high rate of turnover in an open group helps it to expand its frame of reference. New members bring new perspectives to the group's activities and problems. The expanded frame of reference in an open group can enhance creativity. The stability of membership in closed groups, on the other hand, usually results in a relatively narrow frame of reference. Bereft of the challenge from new members who bring in fresh ideas, a closed group can become very unlikely to change its established perspectives.

An open group has a relatively short time perspective. The instability and constant change of an open group make it difficult for the group to have long time horizons. Since membership may be brief, members' perspectives for group activities are oriented towards the present or very near future. In contrast, the stable membership of a closed group enables it to maintain a much longer time horizon. Members, because of their long association with closed groups, are able to recollect the history of the group and their expectations for continued long association enable them to use long-term planning.

Equilibrium refers to the process of restoring to the state of balance and stability from imbalance and instability. Because of changing membership, an open group is easily susceptible to imbalance and instability, though closed groups are relatively free from such problems. An open group must develop method for counteracting the disequilibrium, for any disruption is detrimental to the interests of the group. One way to maintain an open group stable is to make members committed to group ideals. This makes changes in members less frequent. Another way is to enhance group membership. The larger the number of members, the more stable does a group emerge.

An organization may have both open and closed groups. Many groups whose function is evaluation or review may be relatively open. For example, membership on a promotion committee is often limited to one or two years and terms are staggered so that half the members are replaced every year. Boards of directors exemplify closed groups; they have been described by critics as “self-perpetuating cliques” whose members hold sufficient votes or proxies to re-elect themselves each year. The closed nature of such groups enables them to develop historical perspective and to engage in long-term planning, often at the cost of developing new perspectives.

3. In-groups and Out-groups: A distinction is also made between in-groups and out-groups. The groups to which we belong are in-groups and groups to which we do not belong are out-groups, especially if we look upon them with a certain amount of antagonism. The in-group versus out-group concept is applicable to friendly rivalries between schools, clubs and associations, but is also applicable to much more hostile groups. On a small-scale, it is descriptive association of violent neighbourhood gangs; on a larger-scale it is descriptive of wars between nations.

The in-group versus out-group concept is intimately linked to ethnocentrism, which means that one’s own group is the best and the other is to be judged on its terms. Ethnocentric attitudes are mentioned most frequently in relation to national rivalries, but ethnocentrism has many applications. One can be ethnocentric about one’s community, state, social class, or even race.

<p>A CHECK YOUR PROGRESS</p> <p>(✓) the correct answer and (x) the wrong answer</p> <p>(i) An informal group is created to solve specific problems ()</p> <p>(ii) Task group is also called a clique and is an alliance that is neither formally structured nor organisationally determined. ()</p>	
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12.5 FIVE STAGE MODEL OF GROUP DEVELOPMENT

Groups generally pass through a standardized sequence in their evolution. We call this sequence the five-stage model of group development. Recent studies, however,

indicate that temporary groups with task-specific deadlines follow a very different pattern. In this section, we describe the five-stage general model and an alternative model for temporary groups with deadlines.

The Five-Stage Model

As shown in Fig. 4, the **five-stage group-development model** characterizes groups as proceeding through five distinct stages: forming, storming, norming, performing, and adjourning.

The first stage, **forming**, is characterized by a great deal of uncertainty about the group's purpose, structure, and leadership. Members are "testing the waters" to determine what types of behaviour are acceptable. This stage is complete when members have begun to think of themselves as part of a group.

EXHIBIT 12.1 WHY DO PEOPLE JOIN GROUPS?

Security. By joining a group, individuals can reduce the insecurity of "standing alone. People feel stronger, have fewer self-doubts, and are more resistant to threats when they are part of a group. **Status.** Inclusion in a group that is viewed as important by others provides recognition and status for its members. **Self-esteem.** Groups can provide people with feelings of self-worth. That is, in addition to conveying status to those outside the group, membership can also give increased feelings of worth to the group members themselves. **Affiliation.** Groups can fulfill social needs. People enjoy the regular interaction that comes with group membership. For many people, these on-the-job interactions are their primary source for fulfilling their needs for affiliation. **Power.** What cannot be achieved individually often becomes possible through group action. There is power in numbers. **Goal Achievement.** There are times when it takes more than one person to accomplish a particular task—there is a need to pool talents, knowledge, or power in order to complete a job. In such instances, management will rely on the use of a formal group.

The **storming** stage is one of intragroup conflict. Members accept the existence of the group, but there is resistance to the constraints that the group imposes on individuality. Furthermore, there is conflict over who will control the group. When this stage is complete, there will be a relatively clear hierarchy of leadership within the group.

The third stage is one in which close relationships develop and the group demonstrates cohesiveness. There is now a strong sense of group identity and camaraderie. This **norming** stage is complete when the group structure solidifies and the group has assimilated a common set of expectations of what defines correct member behaviour.

The fourth stage is **performing**. The structure at this point is fully functional and accepted. Group energy has moved from getting to know and understand each other to performing the task at hand.

For permanent work groups, performing is the last stage in their development. However, 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. High task performance is no longer the group's top priority. Instead, attention is directed toward wrapping up activities. Responses of group members vary in this stage. Some are upbeat, basking in the group's accomplishment. Others may be depressed over the loss of camaraderie and friendship gained during the work group's life.

Many interpreters of the five-stage model have assumed that a group becomes more effective as it progresses through the first four stages. Although this assumption may be generally true, what makes a group effective is more complex than this model acknowledges. Under some conditions, high levels of conflict are conducive to high group performance. So we might expect to find situations in which groups in Stage II or IV. Similarly, groups do not always proceed clearly from one stage to the next. Sometimes, in fact, several stages go on simultaneously, as when groups are storming and performing at the same time. Groups even occasionally regress to previous stages. Therefore, even the strongest proponents of this model do not assume that all groups follow its five-stage process precisely or that stage IV is always the most preferable.

Another problem with the five-stage model, in terms of understanding work related behaviour, is that it ignores organizational context. For instance, a study of cockpit crew in an airline found that, within ten minutes, three strangers assigned to fly together

for the first time had become a high-performing group. What allowed for this speedy group development was the strong organizational context surrounding the tasks of the cockpit crew. This context provided the rules, task definitions, information and resources needed for the group to perform. They didn't need to develop plans, assign roles, determine and allocate resources, resolve conflicts and set norms the way the five-stage model predicts.

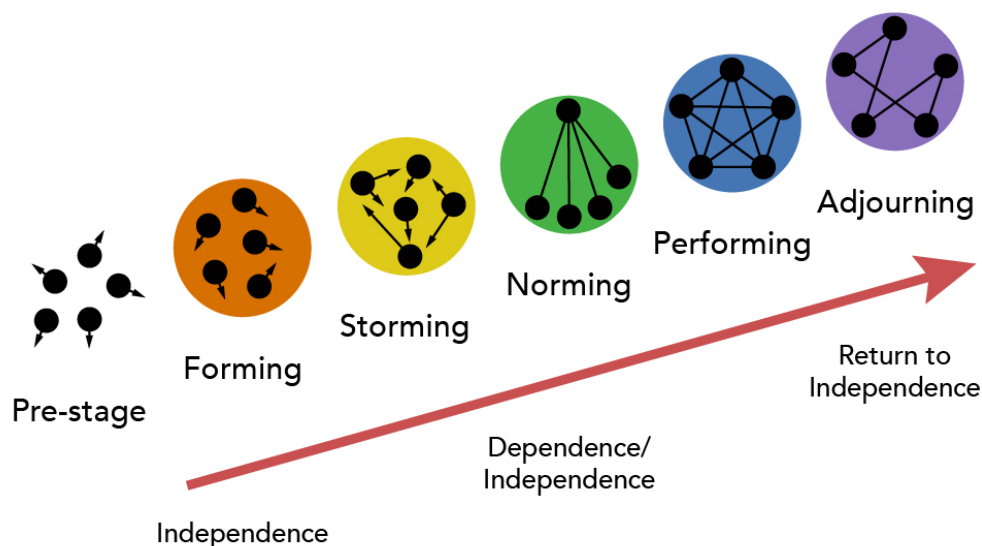
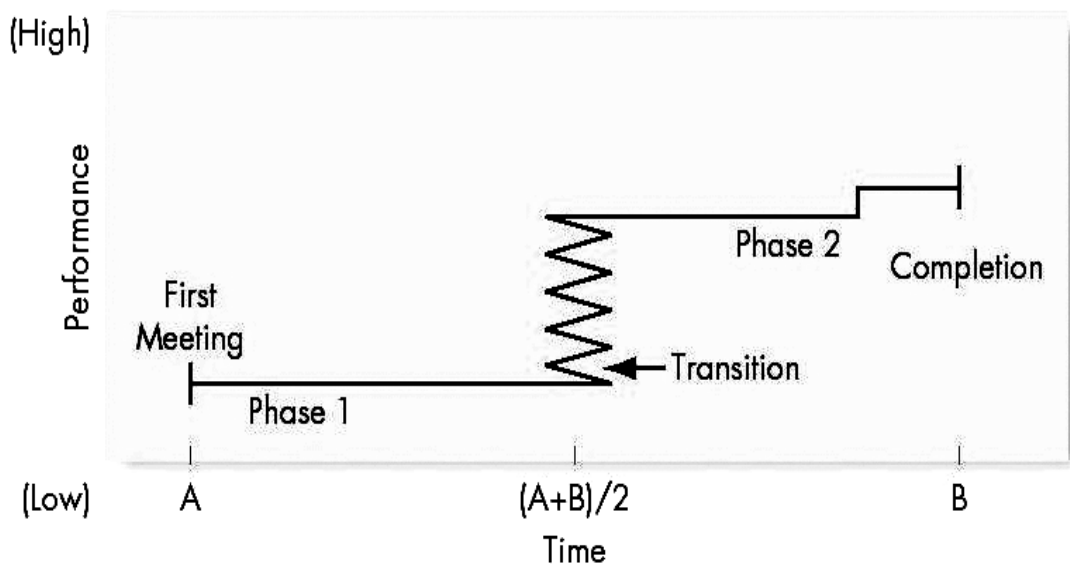


Fig. 4

An Alternative Model: For Temporary Groups with Deadlines

Temporary groups with deadlines don't seem to follow the previous model. Studies indicate that they have their own unique sequencing of actions (or inaction): (1) Their first meeting sets the group's direction; (2) this first phase of group activity is one of inertia; (3) a transition takes place at the end of this first phase, which occurs exactly when the group has used up half its allotted time; (4) a transition initiates major changes; (5) a second phase of inertia follows the transition; and (6) the group's last meeting is characterized by markedly accelerated activity. This pattern is called the **punctuated-equilibrium model** and is shown in Exhibit 8-3.



The first meeting sets the group's direction. A framework of behavioural patterns and assumptions through which the group will approach its project emerges in this first meeting. These lasting patterns can appear as early as the first few seconds of the group's life.

Once set, the group's direction becomes "written in stone" and is unlikely to reexamined throughout the first half of the group's life. This is a period of inertia - that is, the group tends to stand still or become locked into a fixed course of action. Even if it gains new insights that challenge initial patterns and assumptions, the group is incapable of acting on these new insights in Phase 1.

One of the more interesting discoveries made in these studies was that each group experienced its transition at the same point in its calendar—precisely halfway between its first meeting and its official deadline—despite the fact that some groups spent as little as an hour on their project while others spent six months. It was as if the groups universally experienced a midlife crisis at this point. The midpoint appears to work

like an alarm clock, heightening members' awareness that their time is limited and that they need to "get moving."

This transition ends Phase 1 and is characterized by a concentrated burst of changes, dropping of old patterns, and adoption of new perspectives. The transition sets a revised direction for Phase 2.

Phase 2 is a new equilibrium or period of inertia. In this phase, the group executes plans created during the transition period.

The group's last meeting is characterized by a final burst of activity to finish its work.

In summary, the punctuated-equilibrium model characterizes groups as exhibiting long periods of inertia interspersed with brief revolutionary changes triggered primarily by their members' awareness of time and deadlines. Keep in mind, however, that this model doesn't apply to all groups. It's essentially limited to temporary task groups who are working under a time-constrained completion deadline.

12.6 FORMAL GROUPS AND INFORMAL GROUPS / ORGANISATIONS

Definition of Formal Group

A formal group is a collection of persons, who came together for achieving a specified goal. They are always created with intent to fulfil some official requirement. Formation of the group is done by the management. It possesses a systematic structure, in hierarchical form.

In general, the employees of the organisation are divided into groups, and a task is handed over to each group. In this way, the task of the group is accomplished along with the fulfilment of organisational goals. The given are the types of formal groups:

- **Command groups:** The groups that consist of managers and their subordinates.
- **Committees:** The group of people who are appointed by an organisation, to

resolve the matters, referred to them are known as Committee. For example Advisory Committee, Standing Committee, etc.

- **Task Forces:** The group form to carry out a particular task is known as Task Forces.

Definition of Informal Groups

The groups that are created naturally, within the organisation, due to social and psychological forces are known as Informal groups. Under this group, the employees of the organisation, themselves enter into groups, without the approval of the management to satisfy their social needs on the job.

Nobody wants to live in isolation; people generally create a circle around themselves so that they can interact and share their feelings, opinions, experiences, information, etc. These circles are known as informal groups at the workplace. These groups are formed on the basis of common likes, dislikes, prejudices, contacts, language, interests, attitudes of the members. It includes interest group and friendship group. The communication is faster in such groups, as they follow grapevine chain.

There are no defined rules; that applies to the informal group. Moreover, the group possesses a loose structure. The bond between the members of the group is quite strong, which can be seen when one of the employees is kicked out of the job and all co-members his group goes on strike just to support him.

Key Differences Between Formal and Informal Groups

The following are the differences between formal and informal groups:

1. The groups formed by the management of the organisation for accomplishing a specific task are known as Formal Groups. The groups that are formed by the employees themselves as per their likes and prejudices is known as Informal Groups.
2. The formal groups are deliberately created by the organisation, whereas the informal groups are established voluntarily.

3. The formal groups are big in size as compared to an informal group. Moreover, there can be sub-groups in a single formal group.
4. The structure of a formal group is designed in a hierarchical manner while the informal group lacks structure or say it has no structure.
5. In a formal group, the position of a member defines its importance in the group, but in an informal group, every member is as important as any other member.
6. In a formal group, the relationship between the members is professional, they gather just to accomplish the task allotted to them. On the other hand, in an informal group, there is a personal relationship between members, they share their opinions, experiences, problems, information with each other.
7. In a formal group, the flow of communication is restricted due to the unity of command. In contrast to an informal group, the flow of communication stretches in all directions; there is no such restriction.

We generally enter into groups, without knowing that Which kind of group is it? From the above post, hope you have understood the differences between the two kinds of group. Sometimes the members of formal groups and informal groups are same. The basic distinguishing feature between the two is that formal groups are always formed with an objective, but when an informal group is created, there is no such kind of intention at all.

12.7 LET US SUM UP

The groups in the Organisation result in cohesiveness and the decision making helps in attaining consensus which helps in attaining Organisational efficiency and effectiveness. Groups are mechanisms through which people learn relevant job shall and knowledge.

12.8 GLOSSARY

- **Group** - A group can be defined as one or more individuals interacting together to achieve certain goals
- **Group Behaviour :-** means the behaviour of the members of the group

12.9 SELFASSESSMENT QUESTIONS

Q1 List out the importance of Group Behaviour.

Q2 What are the various types of Groups?

12.10 LESSON END EXERCISES

Q1. What are the sources of Group Norms ?

Q2. What is Group Cohesiveness ?

Answers to Check your Progress

A. (i) X (ii) X

12.11 SUGGESTED READINGS

1. P. Subba Rao, Organisational behaviour, Himalaya Publishing House, Indore, M.P., 12th March 2017
2. Stephen P. Robbins, Timothy A. Judge, Neharika Vohra, Organisational behaviour, Pearson, India Education Services Pvt. Ltd., 2018.
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M.Com 1st Sem

Course No M.Com-C 152

Unit III

Lesson No. 13

**GROUP BEHAVIOUR - TECHNIQUES FOR IMPROVING
GROUP DECISION MAKING**

STRUCTURE

- 13.0 Learning Objectives and Learning Outcomes
- 13.1 Introduction
- 13.2 Group Norms
- 13.3 Group Cohesiveness
- 13.4 Group Decision Making
- 13.5 Techniques For Improving Group Decision Making
- 13.6 Let us sum up
- 13.7 Glossary
- 13.8 SelfAssessment Questions
- 13.9 Lesson End Exercises
- 13.10 Suggested Readings

13.0 LEARNING OBJECTIVES

- (i) To impart knowledge to the learners about the concept of informal group.
- (ii) To acquaint learners about the determinants of Group behaviour
- (iii) To provide insight about the Groups Structure

LEARNING OUTCOMES

After going through this lesson, you will be able :

- (i) to explain the informal group.
- (ii) to list out the determinants of group behaviour.
- (iii) to explain group Structure.



Fig. 13.1

13.1 INTRODUCTION

Groups are mechanisms through which people learn relevant job skills and knowledge. Group members can model correct behaviour, offer feedback on performance and provide direct instructions and assistance to one another. Thus people join group to attain security, status, self-esteem, power and to achieve goals.

13.2 GROUP NORMS

Group Norms are the rules that guide how people behave and interact in a social group.

The norms define the course of interacting and carrying out its task and maintenance functions. The group develops an ideology which affects the attitudes and actions of its members and the degree of satisfaction which they feel. Group

Norms are a set of beliefs, feeling and attitudes commonly shared by group members. These are also referred to as rules or standards of behaviour that apply to group members. Norms serve three functions in groups .

- 1) Predictive function
- 2) Control function
- 3) Relational function

Norms provide a basis for understanding the behaviour of other and for deciding one's own behaviour.

Norms regulate the behaviour of members when someone violates a norm other members are likely to exercise sanctions ranging from a casual remark to a physical abuse .

Characteristics of group norm.

1. Norms represent characteristics that are revealed through their personality.
2. They are related to behaviour and are considered important by most group members.
3. They are the basis for predicting and controlling behaviour of group members.
4. They are applied to all members.

Eg. Production Norms; Production norms were explained in Hawthorne Experiments, Elton Mayo conducted different experiments and indicated the type of production behaviour observed in those studies.

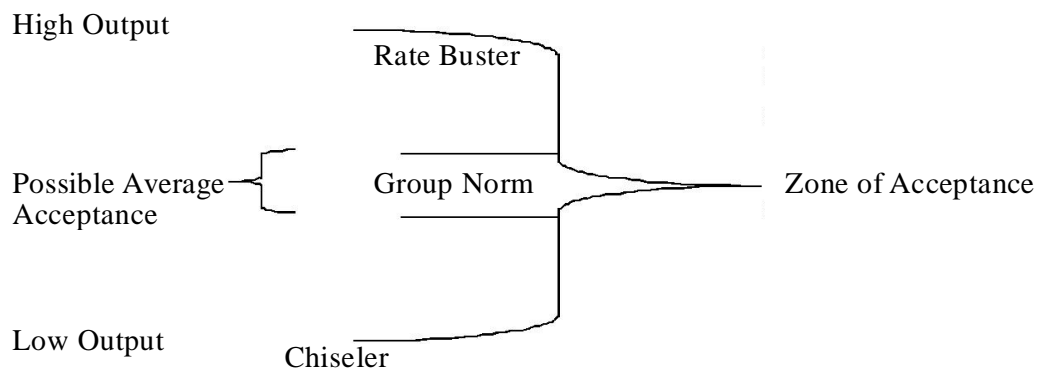


Figure 13.2

Production Norms and its Zone of Acceptance.

The Fig. 13.2 shows that the norm indicates the level of production from each individual and which is acceptable by the group.

Sources of Group Norms :

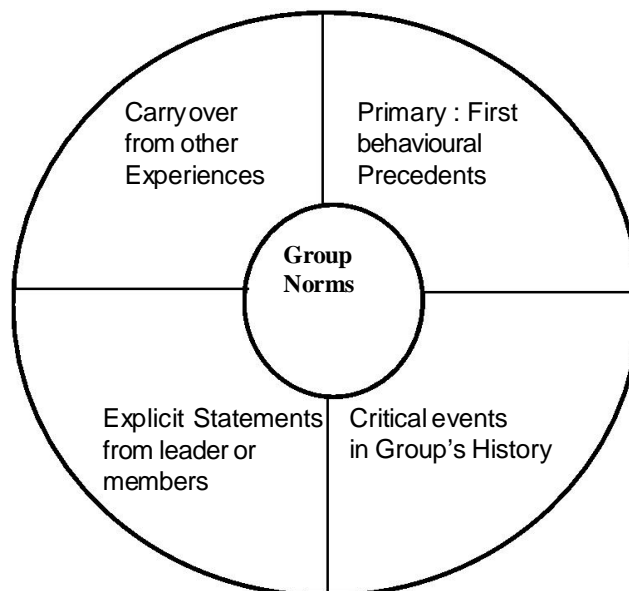


Figure 13.3

Norms are set in the following four ways :

1. Members bring their past experience from other groups in other organisations.
2. Primary group norms: it refers to the first behaviour pattern that emerges in a group.
3. A critical incident in the life of an organisation also sets a precedent.
4. Explicit statements made by superiors or co-workers themselves may become norms.

Norms are strictly enforced as these help in keeping the morale high.

1. Norms ensure group success or survival
2. Norms reflect the preferences of supervisor or other powerful group members
3. Norms predict what behaviour is expected of them.
4. Norms help the group avoid embracing interpersonal problems.

13.3 GROUP COHESIVENESS

Cohesiveness is the extent of liking what each member has towards others and represents the liking of members to remain as a member of the group. It is the degree to which members are attached to and motivated to remain part of a group. Persons in a highly cohesive group value their membership and strive to maintain positive relationship with other group members. Members also experience satisfaction from group affiliation.

Sources of Cohesiveness :

Interaction: Members become more cohesive when individual members spend more time with each other and frequently interact with each other.

Threat : It is a powerful unifier when (i) it comes from outside the group (ii) cooperation can help overcome the threat (iii) there is little or no chance of escape.

Cooperation : The overall atmosphere depends on leadership and team efforts.

Shared Goals : Groups that share common goals are likely to be more cohesive than those who do not share such goals.

Attitudes and Values : Positive inferences help create more cohesiveness and the feeling of agreeing with one's views and enhances cohesiveness.

Consequences of Group Cohesiveness :

Positive Consequences :

1. There is increased morale in cohesive groups.
2. It contributes to increase in productivity.
 - a) People in cohesive groups experience fewer work related anxieties.
 - b) Lower absenteeism and turnover.
 - c) Decreases productivity difference.
3. Members of cohesive groups communicate with each more than members of non cohesive groups do.
4. Conformity and influence is also created.

	High	Low
High	High Performance	Medium Performance
Low	Low performance	Low Performance

Table 13.4

Relationship between group cohesiveness, performance norms and performance.

This table illustrates the performance levels predicted for various combinations of group cohesion and performance norms. Performance is likely to be highest in highly cohesive group with positive performance norms.

Guidelines to form highly cohesive groups :

Emphasis on task accomplishment.

Participative Management.

Intergroup competition

Disband the group

Group Cohesiveness - Causes and Consequences

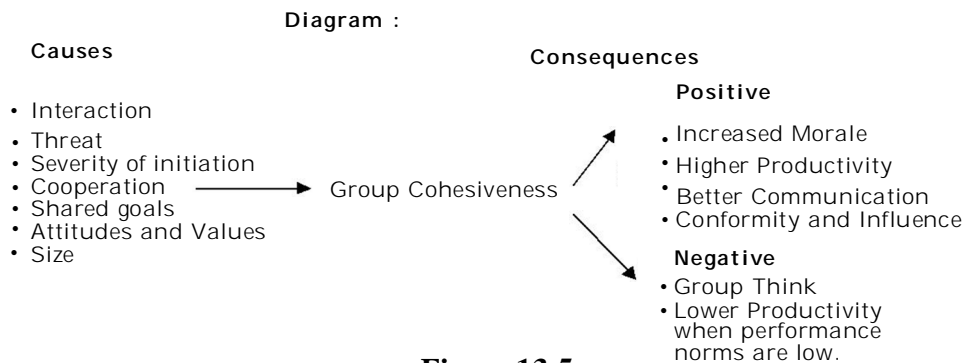


Figure 13.5

A CHECK YOUR PROGRESS

Tick (✓) the correct option

- (i) Group cohesiveness does NOT have which of the following characteristics ?
(a) Interpersonal attraction (b) Group pride (c) Commitment to the work of the group
(d) Groupthink
- (ii) Which characteristic involves viewing their membership in a group as highly positive ?
(a) Interpersonal attraction (b) Group pride (c) Commitment to the work of the group
- (iii) Which factor increases group cohesiveness ?
(a) Trust (b) Diversity (c) Negative past group experience (d) Arrogance

13.4 GROUP DECISION MAKING

Group decision making is an activity based on the old adage "two heads are better than one." This means that many persons interact simultaneously to arrive at a decision. Thus, group allow decision making that has the: following features:

1. There are atleast two decision makers acting jointly on the issue under decision making.
2. The number of decision makers in a group can be more than two. However, the number of group members is kept upto manageable level so that proper interaction takes place among them in order to arrive at a decision.
3. There is active interaction among group members. This is possible through participation in decision making. Thus participation is the backbone of group decision making.

4. In group decision making, there can be either consensus among the members of the group or the decision can be arrived at through simple majority unless group prescribes any other mode of majority. Consensus implies that all members must agree to the proposed decision, whereas majority vote implies that it is enough for the majority of the group members to agree on the decision arrived at.
5. All the members are jointly responsible for the decision made by the group. Even if some of the members do not agree with the decision, still they are responsible for the decision because of operation of the concept of joint responsibility.

13.5 TECHNIQUES FOR IMPROVING GROUP DECISION MAKING

The effort group decision making is to take advantage of the group as a decision making resource and to minimize its potential disadvantages.

Techniques for improving Group Decision Making.

1. **Brain storming :** This was development by Alex Osborn. The technique was used originally to develop an act programme, but it can be used any time an organisation wants to develop creative or Free-Wheeling ideas. The technique involves getting six to ten people together to come up with a creative solution to a problem. The idea in brainstorming is to create an atmosphere of enthusiasm and non-Judgement in terms of the usefulness of an idea.

Four rules typically govern the brainstorming process :

1. All criticism is ruled out judgment or evaluation of ideas must be withheld until the idea-generation process has been completed.
2. Free wheeling is welcome. The wilder or more radical the idea, the better.
3. Quantity is wanted. The greater the number of ideas, the greater the likelihood of obtaining a superior idea.

4. Combination and improvement are sought. Participants should suggest how ideas of others can be turned into better ones or how two or more ideas can be combined into still another idea.

Brainstorming is based on the notion that harsh and critical judgment discourages people from expressing unorthodox ideas, and that one or more of these otherwise unspoken ideas may be the key to solving the problems at hand. No attempt is made to evaluate responses during the session. It is done later Brainstorming sessions that last for 40 minutes to 1 hours been found to be most effective.

Nominal Group Technique: NGT controls the amount of personal interaction and adds structure to the group process.

The two disadvantages of the Group Process that it can be time consuming and that one or two dominant or high status members may control the group NGT minimizes these problems.

1. Each person in NGT writes down ideas options or solutions privately without discussing them with others.
2. The results of the first step are presented to the group by each person in a round robin procedure
3. Each person presents his or her ideas in sequence. There is no discussion, the ideas are written down on a chalkboard or large flip chart so that everyone can see them. Each person ranks various proposals privately. The results are tallied to determine the relative support of each idea. The proposal c which tallies most, is then discussed for possible adoption.
4. After all ideas are suggested, the participants may ask question to clarify an idea or proposal.

NGT integrates the advantages of both group creativity and individual creativity. It saves a great deal of time. It can improve group decision making under attitude related difficult circumstances.

2. Delphi Technique: Development by Rand Corporation to allow for the benefits of group decision making without members having to meet face to face. It allows group decision making to be accomplished over large distances and widely scattered members.

This technique involves a series of questionnaires distributed over time to decision making panel.

A typical approach work follows: The first questionnaire states the problem and requests potential solutions. These solutions are summarized by the decision co-ordinator. The summary is returned to the panel in a second questionnaire. Panel members respond again, and the process is repeated until a consensus is reached and a clear decision emerges.

One of the problems of the Delphi Technique is that it is complex and has high costs. But is ideal for situations when it is impossible to convene a group meeting

Evaluating D-M Techniques

Effectiveness Criteria	Brain storming	NGT	Delphi
Number of ideas	Moderate	High	High
Quality of ideas	Moderate	High	High
Social pressure	Low	Moderate	Low
Time /Money tools	Low	Low	High
Potential for Interpersonal conflict	Low	Moderate	Low
Feeling of accomplishment	High	High	Moderate
Commitment to solution	Not Applicable	Moderate	low
Building group cohesiveness	High	Moderate	Low

Table 13.6

13.6 LET US SUM UP

The groups in the Organisation result in cohesiveness and the decision making helps in attaining consensus which helps in attaining Organisational efficiency and effectiveness. Group are mechanisms through which people learn relevant job shall and knowledge.

13.7 GLOSSARY

- **Group** - A group can be defined as one or more individuals interacting together to achieve certain goals
- **Group Behaviour :-** means the behaviour of the members of the group.

13.8 SELFASSESSMENT QUESTIONS

Q1 List out the positive and negative aspects of Group decision making process

13.9 LESSON END EXERCISES

Q2. What are the sources of Group Norms?

Q3. What is Group Cohesiveness?

Answers to check your progress

- A. (i) d
 (ii) b
 (iii) a

13.10 SUGGESTED READINGS

1. P. Subba Rao, Organisational behaviour, Himalaya Publishing House, Indore, M.P., 12th March 2017
2. Stephen P. Robbins, Timothy A. Judge, Neharika Vohra, Organisational behaviour, Pearson, India Education Services Pvt. Ltd., 2018.
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**ORGANISATIONAL COMMITTEES, TASK FORCE
AND QUALITY CIRCLES**

STRUCTURE:

- 14.0 Learning Objectives & Learning Outcomes
- 14.1 Introduction
- 14.2 Concept of Organisational Committee
- 14.3 Features
- 14.4 Group behaviour in Committee
- 14.5 Reasons for use of Committee
- 14.6 Problems in Committee
- 14.7 Measures for making committees effective
- 14.8 Concept of task force
- 14.9 Reason for the use of task force
- 14.10 Problems in task force
- 14.11 Advantages of task force
- 14.12 Concept of Quality Circle
- 14.13 Developing a Quality Circle

14.14 Benefits and Limitations of QC

14.15 Let us sum up

14.16 Glossary

14.17 SelfAssessment Questions

14.18 Lesson End Exercise

14.19 Suggested Readings

14.0 LEARNING OBJECTIVES

- (i) To familiarize the learners about the concept of organisational committee.
- (ii) To provide insight about the features of organisational committee.
- (iii) To impart knowledge about the concept of Task force.

LEARNING OUTCOMES

After going through this lesson, you will be able :

- (i) to define an organisational Committee
- (ii) to describe the features of Organisational Committee
- (iii) to discuss the concept of task force

14.1 INTRODUCTION

Committee is a form of formal group. Committees are found in every large organisation. Literally, the word committee means those to whom some matter or charge is committed. Committee is defined as a body of persons appointed to meet on an organised basis for discussion and dealing of matters brought before it.

Task force is a legislative committee authorised by legislative leadership to study a specific subject for a specified period of time. A task force may contain several members, and is different from a committee in that it typically considers a narrow subject within a broader topic area: a task force would consider some unusual problem which cannot be solved by a single department or individual.

14.2 CONCEPT OF ORGANISATIONAL COMMITTEE

Sometimes there is a need to get opinion of other persons for taking important decisions. The thinking of varied persons is pooled together through deliberations and discussions and common decisions are reached. Because of collective information and analysis, committees are more likely to come up with solutions to complex problems. With the growth of organization the need for committee is more.

A number of persons may come together to take a decision, decide a course of action, advise line officers on some matters, it is a-committeeform of organization. It is a method of collective thinking, corporate judgment and common decision. A committee may be assigned some managerial functions or some advisory or exploratory service may be expected from it. A committee is not a separated type of organization as such. But it is a method of attaching persons or groups to line departments for

advice and guidance in business planning and execution. A group of competent and interested persons pool their thoughts for facilitating decision making process.

Meaning of a Committee:

A committee is a group of people who work collectively, discuss, decide and recommend solutions to the problems (of a concern) which possibly cannot be solved by an individual. A committee consists of a group of person conversant with a subject naturally their advice will be much superior to that of one man.

Committees work very well in large complex corporate organisations having multifaceted problems too big and too complex to be dealt effectively by one person. In a committee, ideas put forth by several persons are pooled and offered for criticism; the ideas are developed and thus recommendations are made as regards procedure and policies.

14.3 FEATURES

1. A committee is a group of persons. There should be atleast two persons. There is no limitation on the maximum number of persons. But if the number rises be there is a problem of communication.
2. A committee can deliberate only on the matters that are brought before it. There are strictly defined jurisdiction within which it is expected to justify its existence.
3. Members of committees draw authority through delegation.
4. The type of delegation varies from making final decision on the matter to mere submission of relevant information on the matter concerned.
5. A committee may be constituted at any level of the organisation and its members can be drawn from any levels or function.

In an organisation, there can be several types of committees like Finance Committee, Budget Committee etc.

14.4 GROUP BEHAVIOUR IN A COMMITTEE

A committee is created to solve the problems, which are normally not to be solved by individual. The committee decides the matter through meetings.

1. **Chairman:** A Committee has its own structure with responsibilities and authority entrusted to every member. The Chairperson of the committee in given authority is the form of casting vote.
2. **Participation:** Participation of members is important for arriving at some decision on a matter. When members participate in deliberations, they are likely to change some of their stand held as independent social element to relatively involve social element. This brings mutually agreed decisions.
3. **Group Pressure:** Individual members exert pressure on the ideas, suggestions, comments and judgements of other Group Pressure exists because :
 - i) Very act of integrating and pooling ideas and views within the group results in a product which is greater than the sum of individual contributions. Sometimes an individual is left out and he has no alternative, but to accept the majority thinking.
 - ii) The more a person is loyal to a group – the more he tends to conform to group pressure.
4. **Decision Process :** Group Decision making passes through three stages:
 - i) The group tries to acquire the largest part of information.
 - ii) Group makes inferences and evaluation of information and forms common opinions.
 - iii) It gets around more specific solution to the problem. After agreement is achieved every member is given opportunity to express his views.

14.5 REASONS FOR USE OF COMMITTEE

- 1) Pooling of Knowledge & Experience.
- 2) Facility for Coordination.
- 3) Representation of Interested Groups.
- 4) Fear of too much Authority in a single person.
- 5) Consolidation of Authority.
- 6) Transmission and Sharing of Information.
- 7) Motivation through Participation.
- 8) A Tool of Management Development.
- 9) Avoidance of Action.

14.6 PROBLEMS IN COMMITTEE

1. High Cost
2. Slow Decisions
3. Indecision
4. Minority Tyranny
5. Splitting of Responsibility
6. Misuse of Committees

14.7 MEASURES FOR MAKING COMMITTEES EFFECTIVE

1. **Appropriate Size:** The number of members in a committee should be determined on the basis of such qualitative factors as purpose of committee and personalities and participation qualities of members. The basic idea should be to promote deliberate decisions and to include breadth of expertise required for the committee.

2. **Selection of Members:** Selection of members in a committee requires judgment about the personal characteristics of members their functional background level in the organisation and deliberation ability. It commits function because if members are friendly known to each other and mutually respectful the committees are effective.
3. **Well Defined Authority & Scope:** This helps in increasing the authenticity and there is less scope of ambiguity of decisions.
4. **Nature of Subject Matter :** There should be careful selection of subject matter.
5. **Effective Chairman:** A good Chairman can avoid many wastages and drawbacks of committees by placing the meeting preparing the agenda, ensuring the results of preliminary activities that are available to the member well ahead of meeting, arranging definite proposals for discussion or action and conducting the meeting effectively.
6. **Logical Procedure for Conducting Meeting:** Sequential pattern should be followed ;
 - i) Analysis of the problem.
 - ii) Suggestion of alternative solution
 - iii) Discussion on alternatives Integrating opinions.
7. **Circulation of Minutes and Checking Conclusions:** Though there is participatory approach, but participants may have different interpretations of recommendations or decisions. To avoid this circulation of minutes and checking conclusion is essential.
8. **Cost Consideration:** Periodic appraisal of the cost and benefit should be done, tangible and intangible benefits of committees should be taken into account for this.

14.8 CONCEPT OF TASK FORCE

A task force is somewhat similar to an ad hoc committee but distinct from it. It is like an ad hoc committee because it is usually temporary, but differs because it has broader powers of action and decision as well as responsibilities for investigation, planning, research, and analysis. A task force is made up of a group of people with different backgrounds who are assigned a specific task or mission. Since the tenure of a task force is over when the task or mission is over, usually membership in the task group is temporary; each person remains part of it only so long as his skills and knowledge are required and task force continues. The task force also differs from a matrix Organisation in the sense that the latter appears almost on continuous basis and personnel are assigned tasks in different projects at different periods of time. A task force is constituted when the Organisation faces some unusual problem which cannot be solved by a single individual or by a single department. Such task forces are quite usual in government to fight drought or flood, to eradicate some non-recurring disease, or tackle specific administrative problems. In business Organisations too, task forces may be constituted to develop and launch a new product, to select a new project, or to negotiate certain terms and conditions, etc.

The essential feature of a task force is that it is a temporary creation of a separate unit in the Organisation to take up a task which is (i) quite new to the Organisation (ii) which cannot be solved by a single individual or department, (iii) the tenure of which may not be very long.. In such a case, a temporary group is constituted with personnel drawn from several departments depending on the need of skills and experience. They are on the full-time basis in the task force. When the work of task force is over, they return back to their original department. A task leader is also appointed to coordinate the activities of the task force. However, task force boundaries are not defined by its immediate hierarchical structure because the leader is not the boss of people working with the task force.

14.9 REASONS FOR THE USE OF TASK FORCE

The concept of task force emerged during the period of Second World War when armies faced the unusual problems of combating the opposite armies. Since the

War lasted for several years, there were many developments in war tactics, particularly the development of weapons, espionage of opposite armies, etc. All these tasks were carried through the task forces. The concept of task force was later applied to civil and business Organisations as these Organisations also faced the problems of similar nature, that is, problems requiring the attention of people with different backgrounds on a temporary basis. Thus, in modern Organisations, task force is usually suitable when the Organisations are facing certain unusual problem which is of non-recurring nature. The main advantages of using task force in such a case are as follows:

By task force, executives with special skills may pool their talents to focus on a problem with an intensity not possible for them while carrying their regular positional requirements. They become free from the limitations of departmentally-oriented thinking and have the opportunity to think about the problem concerned as a whole. Task force provides unusual training ground for the executives who are assigned tasks. They work in a different environment and job requirement is also different. Therefore, they can enlarge their understanding of working.

Task force is able to release the creative energies not channelized by the regular system of hierarchical authority and communication. It is to be noted that authority and communication in task force are highly unstructured which provide more stimulus for innovative thinking.

It is temporary measurement for solving unusual problems and, therefore, does not put pressure on the Organisation for the long run unlike other departments. Functional departments or divisions, once created, have to be maintained even though they may not be required because they become a sort of permanent things in the Organisation. This is why more and more Organisations are using task forces for solving unusual problems.

14.10 PROBLEMS IN TASK FORCE

Though a task force can solve unusual problems, it may create many more problems in the Organisation, particularly if it is not handled properly. The major problems of task forces are as follows:

1. Task forces are potentially disturbing to an ongoing Organisation. Departmental heads have to give the services of their subordinates for the work which may not have direct bearing on the working of their own departments. Thus, they are reluctant to part with the services of their key men.
2. The creation of task forces may not be looked favourably by those who are not set for it. Generally, there is a feeling that those who are taken for task force are perceived to be more qualified, and after the work of task force is over, they will be promoted. This type of feeling may have demoralizing effect.
3. Creation of task forces tends to create feelings of independence and loose attachment to the formal Organisation. This arrangement may make the supervision work of departmental heads more difficult who must have developed the habit of building a close-knit unit of loyal men in a team.

14.11 ADVANTAGES OF TASK FORCE

1. By task force, executives with special skills may pool their talents to focus on a problem.
2. Task force provides unusual training grounds
3. Task force is able to release the creative energies not channeled by the regular system.
4. It is temporary measurement for solving unusual problems.

A. CHECK YOUR PROGRESS :

Fill in the blanks :

- (i) The concept of tasks force emerged.....
- (ii) Creation of task force trends to create feelings ofand lose.....

14.12 CONCEPT OF QUALITY CIRCLE

After the Second World War Japanese economy was in the doldrums. Seeing this disastrous effect of war, Americans decided to help Japan in improving the quality standards of their products. General Douglas Mac Arthur who, at that time, was the

commander of the occupational forces in Japan took up the task of imparting quality awareness among Japanese to help them improve their products and the reliability of manufacturing systems including men, machine and materials. Thus, by 1975, they were topping the world in quality and productivity. This astonishing and unique achievement in modern history became an eye – opener to the world. Industrialists and politicians from all over the world started visiting Japan to know how they have achieved such magical results in such a short span. The answer to this was painstaking and preserving efforts of the Japanese leaders and workers and the development and growth of the philosophy of small working groups. This resulted in the Quality Circle concept being accepted all over the world as a very effective technique to improve the total quality of work life.

Quality Circle Q C or Kaizen Circles is a small group of 6 to 12 employees doing similar work who voluntarily meet together on a regular basis to identify improvements in their respective work areas using proven techniques for analysing and solving work related problems coming in the way of achieving and sustaining excellence leading to mutual upliftment of employees as well as the organisation. It is “a way of capturing the creative and innovative power that lies within the work force”.

Philosophy of Quality Circles

Quality Circles is a people – building philosophy, providing self-motivation and happiness in improving environment without any compulsion or monetary benefits. It represents a philosophy of managing people specially those at the grass root level as well as a clearly defined mechanism and methodology for translating this philosophy into practice and a required structure to make it a way of life. It is bound to succeed where people are respected and are involved in decisions, concerning their work life, and in environments where peoples’ capabilities are looked upon as assets to solve work-area problems.

The Quality Circle philosophy calls for a progressive attitude on the part of the management and their willingness to make adjustments, if necessary, in their style and culture. If workers are prepared to contribute their ideas, the management must

be willing to create a congenial environment to encourage them to do so.

The concept of Quality Circle is primarily based upon recognition of the value of the worker as a human being, as someone who willingly activities on his job, his wisdom, intelligence, experience, attitude and feelings. It is based upon the human resource management considered as one of the key factors in the improvement of product quality & productivity. Quality Circle concept has three major attributes:

- a) Quality Circle is a form of participation management.
- b) Quality Circle is a Human Resource Development technique.
- c) Quality Circle is a problem solving technique.

14.13 DEVELOPING A QUALITY CIRCLE (QC)

Usually, a QC system in an organisation is developed by going through the Following phases:

1. **Start up Phase-** QC requires an attempt just like an Organisational change programme. An Organisational change programme can be made successful when people are convinced about the utility of the change. Therefore, the first thing that should be done in developing QC is to publicize the concept of QC in the Organisation. People should understand the implications of QC. This is necessary because participation in QC is voluntary. Initial training to some personnel should be provided to operate QC system in the Organisation.
2. **Constitution of QC-** QCs may be constituted at different workplaces in the Organisation. Members of a QC are from the same work area or doing similar type of work. They are drawn voluntarily. Once a QC is formed, they remain as permanent members of the circle unless they leave the work area.

Besides QCs at various workplaces, there may be steering committee, facilitator, and coordinator. Steering committee is an apex body at the highest level of the unit/division which oversees the functioning of QCs in the unit/division and serves as advisory body. Facilitator is usually a manager of the

shop/department/section and is responsible for guiding and directing the activities of the QCs in his area, enthruses other executives to get involved in supporting QC activities. The basic responsibility of coordinator is to coordinate the activities of QCs on behalf of the management and to carry out such activities as would make the operation of QCs smooth, effective, and self-sustained.

3. **Initial Problem Solving-** Once people in the circle are trained and officially sanctioned, they turn to problem solving. This involves three stages: data collection, data analysis, and problem solving. Data collection is carried on through various ways like past records, contacting employees, and self-suggestions. Data analysis tries to establish the basic reasons for a particular problem or problems on hand. Problem solving at the initial stage involves participation of various members of the QC on regular basis. Methods used for solving the problems may be brainstorming. Various suggestions put forward by members are analyzed subsequently and final decisions are taken through consensus.
- 4 **Presentation and Approval of Suggestions-** When the QC members get ready to show their solution of a problem, they present it before the management. Presentation to management may be in the form of oral presentation by the members, preparation of the project report, or group assignments in project presentation. Presentation to management helps to improve the communication between management and workers, demonstrates management's involvement and interest to QC members, and fosters good working relationship among all the people. It also offers opportunity to recognize the QC members' efforts.
5. **Implementation-** The final phase is implementation of suggestions. For this purpose, relevant groups may be assigned activities depending on the nature of suggestions. If the suggestion involves only one workplace without affecting others, the implementation can be undertaken directly at that workplace.

However, if it involves others also, it may be assigned to a group. Once this process is over, QCs may be Organised for other departments also.

Thus, through this process, entire Organisation can have QCs.

14.14 BENEFITS OF QUALITY CIRCLES

There are numerous benefits of Quality Circles:

- **Improved Quality:** QC teams are dedicated to finding and fixing quality issues, leading to better product or service quality.
- **Cost Reduction:** Organizations can reduce waste and operational costs by identifying and rectifying inefficiencies.
- **Enhanced Employee Morale:** Involvement in QC activities boosts employee morale, as they feel valued and engaged in making a difference.
- **Higher Productivity:** As QC teams tackle and process bottlenecks. Productivity increases which, leads to more efficient operations.
- **Innovation:** QC teams often come up with innovative solutions to longstanding problems.

LIMITATIONS OF QUALITY CIRCLES AND THEIR REMEDIES

No doubt, QC concept has many positive points but it has failed miserably in many Organisations and they had to abandon the scheme midway. In fact, many problems come up in the way and unless sufficient safeguards are taken against these, QC's efforts are unlikely to succeed.

Following are some major problems of QC operations and suggested remedies:

- 1 The first basic problem in QC is the absence of right type of attitudes both among managers as well as among workers. Managers, particularly at middle level, may feel that QCs dilute their authority and importance; QCs make superiors to find faults with executives for not finding solutions to the problems earlier. Similarly, workers may feel that QCs are meant to improve organisational efficiency without really benefiting them; QCs may dilute their power and opportunities for bargaining. This problem can be solved by giving appropriate counseling to managers as well as to workers about the real concept and contributions of QC. In fact, most of the problems with new concepts come because of misunderstanding of the concepts. QC is no exception to that.
- 2 There is problem of organising QCs in Indian context because of low profile of workers in the form of their low level education and lack of leadership abilities. This may affect the operation of QCs successfully. This problem can be overcome by proper training to workers and also the leaders of QCs.
- 3 Delay in implementation of suggestions given by QCs may affect the operation of QCs. Management can take effective steps to implement the suggestions at earliest opportunity. In case, where suggestions cannot be implemented at all

or can be postponed for the time being, it must be communicated with convincing reasons to the members of the QC.

4. Non-members of QCs may sometimes pose problems to the operation and functioning of QC. This problem can be solved by making them to witness the QC activities like presentation of solutions to management. This way, they can be enthused to join either a particular QC to start new ones at their workplace.
5. There may be some operational problems like members not being permitted to hold meetings during office time, irregularity of meetings, facilitator not attending meetings even for brief period, etc. Such problems can be overcome by providing adequate support from the top management to facilitate operation of QC5, creation of QCs throughout the Organisation, denoting a day and time on which meetings are held every week. Similarly, regular meetings of steering committees and coordination committees should also be held.

Thus, it can be seen that there are many problems in QC but most of these problems can be overcome with the active support of top management and by creating a suitable work environment in the Organisation where management and workers cooperate with each other. After all both these groups are going to get benefits of QCs in the long run.

4.15 LET US SUM UP

To conclude we can say that Organisational Committees help in achieving the organisational goals in time and with consensus. Expertise of the concerned areas are also utilized. Task force helps to overcome the operational problems in the organisation by utilising the expertise of the individuals and speeding the process of day to day work.

14.16 GLOSSARY

- **Organisational Committee** - It is a body of people appointed or elected to meet on an organised basis for the consideration of matters brought before it
- **Task Force** - It is a unit or formation established to work on a single defined task or activity.

14.17 SELFASSESSMENT QUESTIONS

1. What the reasons for the use of committees ?

2. List out the importance of task force in an organisation ?

14.18 LESSON END EXERCISE

- 1) Suggest measures for making the committees effective.

-
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-
- 2) Explain with an example how task force can be useful to speed up day to day operations in the Organisation.

Answers to check your progress

- (i) in 1920 from Navy
(ii) feelings of independence and attachment to the formal organization

4.19 SUGGESTED READINGS

1. P. Subba Rao, Organisational behaviour, Himalaya Publishing House, Indore, M.P., 12th March 2017
2. Stephen P. Robbins, Timothy A. Judge, Neharika Vohra, Organisational behaviour, Pearson, India Education Services Pvt. Ltd., 2018.
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M.Com 1st Sem

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Unit III

Lesson No. 15

TEAMS IN ORGANISATIONS AND LEADERSHIP

STRUCTURE

- 15.0 Introduction
- 15.1 Learning Objectives and Learning Outcomes
- 15.2 Concept of Team / Work Teams
- 15.3 Importance of Teams / Work Teams
- 15.4 Characteristics of Teams
- 15.5 Benefits & Problems of Teams
- 15.6 Types of Teams
- 15.7 Effective Team
- 15.8 Team Creation
- 15.9 Concept and Nature of Leadership
- 15.10 Importance of Leadership
- 15.11 Formal and Informal Leadership
- 15.12 Theories of Leadership
 - 15.12.1 Trait Theory
 - 15.12.2 Behavioural Theories
 - 15.12.3 Situational Leadership Theory

- 15.12.4 Leader Member exchange theory
- 15.12.5 Managerial arid theory
- 15.12.6 Contingency theory
- 15.13 Summary
- 15.14 Glossary
- 15.15 Self Assessment Questions
- 15.16 Lesson End Exercise
- 15.17 Suggested Readings

15.1 INTRODUCTION

Most of us normally assume that the groups and team are the same but there is clear distinction between these two concepts. Let us discuss their meanings. Team is two or more people with complimentary skills. They join together to work interactively as a single unit and achieve a common goal. On the other hand group members need not have complementary skills and may not have common accountability thus may not work as a single unit.

According to Jon Katzenbach and Douglas Smith “**A team is a small number of people with complementary skills who are committed to a common purpose, performance goals and approach for which they hold themselves mutually accountable.**”

15.0 LEARNING OBJECTIVES

- (i) To familiarize the learners about the concept of teams.
- (ii) To provide insight about the concept of leadership.
- (iii) To impart knowledge about the theories of leadership.

LEARNING OUTCOMES

After going through this lesson, you will be able:

- (i) to define teams and nature of teams
- (ii) to explain the genesis of leadership
- (iii) to conceptualise the theories of leadership

15.2 CONCEPT OF TEAMS / WORK TEAMS

Though the concept of team is comparatively of recent origin in management, this concept has been quite popular in other fields like sports and games since long. With the increased competition, Organisations have realized that conventional grouping of individuals for performing certain specified types of tasks is not very effective. Taking clue from other fields regarding, team effectiveness, many Organisations tried team concept. As such Organisations became effective through teamwork, other Organisations also started following this pattern. With the result, today, Organisations in any field or of any size are using teams. Therefore, relevance of studying work teams has increased.

15.3 IMPORTANCE OF TEAMS / WORK TEAMS

In recent years, more and more Organisations have put emphasis on creating teams for better Organisational performance. The question is: why is this increased emphasis on creation of teams? The simple answer is: teams are more viable options for better Organisational performance. The importance of teams can be seen in terms of enhanced performance, employee benefits, reduced costs, and Organisational enhancements. The following discussion shows how all these are achieved by using teams

1. **Enhanced Performance-** Enhanced performance can come in many forms, including improved productivity, product quality, and customer service. Teams enable members to avoid wasted effort, reduced errors, and react to customers needs in a better way. This happens because teams set their own goals and each team member is committed for those goals. Further in a teamwork synergy ($2 + 2 = 5$ effect) is generated because of complementary skills of team members. It has been found that Organisational performance has increased to the tune of 20 per cent after team implementation.
2. **Employee Benefits-** Employees tend to derive benefits as much as Organisations in a team environment. Over the years, employees expectations from their jobs have increased. Now a days, employees want to work under least possible hierarchical control; they believe in self-control rather imposed control; they want quick feedback of their performance; they believe in human dignity rather master-servant relationship; and they want autonomy and freedom in job performance. In a team environment, all these expectations of employees are fulfilled. As a result, employees have a better work life and experience lesser work stress.
3. **Reduced Costs-** Organisations based on teams tend, to reduce their costs of operations. Team members feel that they have a stake in the Outcomes, want to

make contributions because they are valued and are committed to their team and do not want to let it down. This tendency results in direct cost reduction as there will be fewer scraps and fewer errors. There is another form of cost reduction. When team members are satisfied, they show reduced absenteeism and turnover. Because of lower absenteeism, there is higher degree of utilization of existing facilities. Similarly, when employee turnover is low, costs involved in hiring substitute employees are also reduced.

4. **Organisational Enhancements**-In the changing environment every Organisation has to adapt itself with changing environment needs. This adaptation requires replacing old way of working with new way of working which comes through creativity and innovation. Team based organisational working is characterized by increased creativity, motivation and flexibility. Since team members focus on the team effort outcomes they keep on finding new ways to make these outcomes positive.

15.4 CHARACTERISTICS OF TEAMS

Based on the definition, we can derive the following characteristics of a team:

1. **Small Number of People**- A team consists of small number of people because the interaction and influence processes needed for the team to function can only occur when the number of team members is small. When large number of people are involved, they have difficulty in interacting and influencing each other, utilizing their complementary skills, meeting goals, and holding themselves accountable for results.
2. **Complementary Skills**-A team consists of people with complementary skills to get the things done. Three types of skills are usually required in a team. First, the team needs to have members with the technical or functional skills to do the job. Second, some members need to have problem-solving and decision-making skills to help the team to identify problems, determine priorities, evaluate alternatives, and make decisions about the direction of the team. Third, members need interpersonal skills to manage communication flow, manage conflicts, direct

questions and discussion, provide support, and recognize the interests of all team members. These complementary skills are required in the team so that it can function well without receiving support from outside.

3. **Common Purpose and Performance Goals**-A team has common purpose and performance goals which set the tone and direction of the team. A team comes together to pursue a set of goals which becomes the focus of the team; all decisions and actions are directed to pursue these goals. Team members pull together, find resources within themselves, and develop and use skills to achieve team goals.
4. **Common Approach**-A team evolves a common approach which is followed by team members in true spirit. Team's approach usually covers how work will be done, social norms regarding dress, attendance at meetings, norms of fairness and ethical behaviour and what will or will not be included in team activities.
5. **Mutual Accountability**- A team holds itself mutually accountable for results, rather than merely meeting a manager's demands for results. Mutual accountability is essentially a promise.

15.5 BENEFITS AND PROBLEMS OF TEAMS

Several benefits accrue to organisation from teams. More prominent of these are: enhanced performance, employee benefits, reduced costs, organizational enhancements, better competitiveness and in emerging and caring industries.

- 1) **Enhanced performance** can come in many forms, including increased productivity, improved quality and improved customer service. Working in teams enables workers to avoid wasted effort, reduced errors, and respond better to customers, resulting in more output for each unit of employee input.
- 2) **Employee benefits** from teams include, better quality of work life, and reduced stress. Rather than relying on the traditional, hierarchical, manager-based system, teams give employees freedom to grow and gain respect and dignity by managing themselves,

making decisions about their work, and really making a difference in the world around them. Consequently, employees benefit immensely from teams.

- 3) **Teams result in reduced scrap, fewer errors, fewer remuneration claims, and reduced turnover and absenteeism resulting in significant cost reduction.** Members are committed to their team's Performance. They do not want to let down their teams. Commitment to performance makes team-members cost conscious.
- 4) **Teams result in better quality decisions.** Teamwork involves the collective effort of a group of people who represent diverse backgrounds, exposure and experiences. As more ideas are produced and alternatives are considered, the team is able to make optimal decisions — decisions that are stronger because they have been made with various perspectives and interest in mind.
- 5) **Teamwork results in improved processes.** Because of the co-ordination between and transfer of learning among team-members, teamwork results in an organised approach to the situations at hand. For example, a team is more likely than an individual to set up project checkpoints and planning systems to enable all team-members to contribute to the project as it unfolds. Teamwork also permits for distribution of workloads for faster and more efficient handling of large tasks or problems.
- 6) **Teams benefit management through organisational enhancements,** which include increased innovation, creativity and flexibility. Teams can eliminate redundant layers of bureaucracy and flatten the hierarchy in large organisations. Employees will have better access to top management. In addition, the team environment constantly challenges teams to innovate and solve problems creatively. Organisational improvements are certain to result.

Team work is important in any organisation but may be especially significant in emergency and caring or service industries such as hospitals where there is a direct effect on customer satisfaction.

Finally, team work enhances competitiveness of an organisation in the following ways:

- Improving productivity
- Improving quality and encouraging innovation
- Seizing opportunities thrown open by technological innovations
- Improving employee motivation and commitment.

There are potential problems associated with teams which need to be taken care. A few of the dysfunctions from teams include--

Teams are hampered by problems of coordination and motivation. High achievers forced to work in teams may be undervalued and easy-going tend to be empowered.

Profound changes in the workforce are making teams trickier to manage. Teams work best if their members have a strong common culture. This is hard to achieve because large proportion of employees are on temporary basis. It has been observed that organisations increasingly use “team” as a verb rather than a noun. They form teams for specific purpose and quickly disband them.

Some of the problems, for example group think, that afflict groups apply to teams as well.

15.6 TYPES OF TEAMS

In view of their widespread popularity, various types of teams have come to stay. One easy way to classify teams is by what functions do they discharge; for example, some teams make or do things, some teams recommend things, and some teams run things. The most common type of teams are work teams, problem-solving teams, management teams, departmental teams, advisory teams, skunk-works, QCs, self-directed teams and virtual teams.

- 1. Self-managed Teams:** Also called empowered teams, autonomous work groups, self-managed teams are catching on everywhere, India being no exception. Companies as diverse as Titan, Reliance, ABB, Tata Information Systems (TISL), GE Plastics India and Philips are empowering employees — both frontline as well

as production staff. WIPRO had 29 such teams and their number was expected to go up to 130. WIPRO Infotech had 10 such teams and the plan was to hike them to around 40 to 50.

What are these self-managed teams? These are employee groups given a high degree of decision-making responsibility and behaviour control for completing their work. Usually, the team is empowered or given the responsibility for producing the entire product or service. A team essentially replaces the boss by taking over responsibilities for scheduling, hiring, ordering, and firing.

2. **Empowered teams** have some similarities to QCs because they are based on employee participation, but they also have differences. For example, autonomous work groups usually elect an internal leader who also serves as full-time member. Management may appoint an external leader or co-ordinator. The external leader serves primarily as a facilitator rather than as a supervisor. He or she may assist the team-members in receiving feedback on the quality and quantity of their performance as well as make any structural changes in the work design. The co-ordinator is also responsible for helping the team acquire the needed resources and technical assistance.

Empowered teams are facilitated by several factors as shown in as shown in the Figure 15.1, organizational values, human resource systems and organizational structure and job design lead to employee empowerment which in turn result in continuous improvement actions.

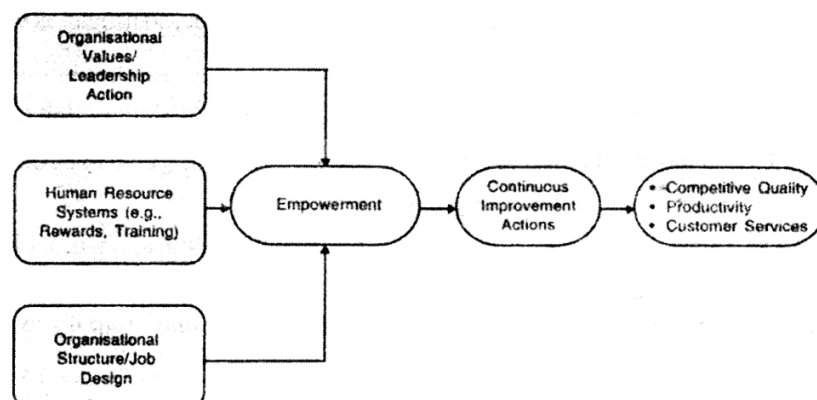


Figure 15.1

3. **Work Teams:** These are primarily concerned with the work done by the organisation, such as developing and manufacturing new products, providing services for customers, and so on. Their principal focus is on using the organisation's resources effectively. Towards this end, work teams are highly empowered.
4. **Problem-solving Teams:** These are temporary teams established to attack specific problems in the workplace as illustrated in the opening case to this chapter. After solving the problems the team is usually disbanded, allowing members to return to their normal work. Problem-, solving teams are often cross-functional, meaning that team-members come from different functional areas. These teams generally offer recommendations for others to implement.
5. **Management Teams:** These consist of managers from various areas and co-ordinate work teams. They are relatively permanent because their work does not end with the completion of a particular project or the resolution of a problem. Management teams must concentrate on the teams that have the most impact on overall corporate performance. The primary job of management teams is to coach and counsel other teams to be self-managing by making decisions within the teams. The second most important task of management teams is to co-ordinate work between work teams that are interdependent in some manner.
6. **Virtual Teams:** These are the teams that may never actually meet together in the same room their activities take place on the computer via teleconferencing and other electronic information systems. Engineers in the US, for example, can contact audibly and visually with counterparts all around the globe, sharing files via Internet, electronic mail, and other communication networks; all participants can look at the same drawing print, or specifications. Decisions are made much faster. With electronic communication systems, team-members, can move in or out of a team or team discussion as the issues demand.

The core features of virtual teams are goals, people, and links. Goals are important to a team, but especially so to a virtual team. Clear, precise, and mutually agreed upon

goals are the glue that holds a virtual team together. The roles of hierarchy, including the ability to hire and fire by a superior, and bureaucracy, including the use of rules and regulations to outcomes, are minimised in virtual teams.

7. **Departmental Teams:** These teams are formed department-wise in an organisation, and the members attend to the tasks related to it. HR department teams, for example, resolve employee related conflicts.
8. **Advisory Teams:** These teams provide recommendations to decision makers. They include committees, work councils, and review panels. Teams are mostly permanent. Members rotate often.
9. **Skunkworks:** Skunkworks are multi-skilled teams that are usually located away from organisation and are relatively free from hierarchy. Skunkworks are entrepreneurial oriented engaged in design of a product or service.

15.7 EFFECTIVE TEAM

An competitive pressures intensity, organisational success depends increasingly on teamwork rather than on individual stars. And teamwork in turn, depends on co-operation, trust, training and rewards.

- **Co-operation:** Co-operation is said to exist when the efforts of team-members are systematically integrated to achieve a collective objective. It is co-operation, but not competition, that ensures team performance. Research has proved that-
 - 1) Co-operation is superior to competition in promoting achievement and Productivity.
 - 2) Co-operation is superior to individualistic efforts in promoting achievement and productivity.
 - 3) Co-operation without inter-group competition promotes higher achievement and productivity than co-operation with inter-group competition.

- **Trust** Trust refers to one person's degree of confidence in the words and actions of another. This also implies putting faith in another person and group. Trust is never one sided it is a reciprocal activity. To receive trust, one should demonstrate it. Teams become effective when members trust each other.

Trust has become a casualty in recent years because of restructuring, downsizing, mergers and lay-offs. Workers have lost trust in managements. Absence of trust affects team performances adversely.

How to build trust? For a start, either management or employees need to take initiative. Let one party trust the other – trust begets trust. Other measures for building trust are :

- 1) **Communication:** Keep team members and employees informed by explaining policies and decisions and providing accurate feedback.
- 2) **Support:** Be available and approachable. Provide help, advice, coaching, and support for team-member's ideas.
- 3) **Respect:** Delegation, in the form of real decision making authority, is the most important expression of managerial respect.
- 4) **Fairness:** Be quick to give credit and recognition to those who deserve it. Make sure all performance appraisals and evaluations are objective and impartial.
- 5) **Predictability:** Be predictable and consistent in daily affairs. Keep both expressed and implied promises.
- 6) **Competence:** Enhance your credibility by demonstrating good business sense, technical ability, and professionalism.
- 7) **Leadership in Teams:** A leader's role in teams is twofold. One is facilitating the functioning of the team, and the other is managing the external boundary of the teams.

The facilitating function of team leader comprises trouble shooting and resource mobilisation. As a trouble shooter, he or she resolves conflict in the team. As resource mobiliser, the leader provides promised inputs to the team and coaches team-members to improve their work performance. With regard to managing the boundary, the leader maintains contacts with higher ups in the organisation, other teams within the organisation, customers and suppliers, so as to enable teams to function smoothly and effectively.

Training: Training is necessary because to must know how to function effectively as a team, in addition to possessing individual task-related skills and abilities. Depending on the type and purpose of the team, training may be needed in problem-solving skills, creative thinking, or interpersonal skills. At the very least, team -members must be well-versed in the company philosophy regarding teams, the team mission, and new roles and responsibilities individuals will have as a consequence of being part of the team.

- **Rewards:** The reward system in most organisations is individually-based. That is, organisational members are rewarded based on evaluation of their individual performance. While the individual's contribution to team success is a legitimate part of the reward system, team success also should be considered. To the extent that teams perform well, they should be rewarded. There are a number of ways in which rewards may be allocated to teams. With problem-solving teams for example, an incentive system is frequently used, wherein the team receives a percentage of the saving realised by the firm. How the rewards are distributed to Individual team-members is a separate issue.

Table 15.1 contains some more tips to make teams more effective.

TABLE 15.1 TIPS FOR EFFECTIVE TEAMS	
a)	Make the team highly focused.
b)	Handle conflict directly and be willing to compromise.
c)	Actively participate, and encourage others to do the same.
d)	Keep sensitive issues private.
e)	Communicate openly and positively.
f)	Take time to establish operating guidelines and clarify expectations.
g)	Monitor what is going on within the team.
h)	Work with under performers to keep them in the flow of the project and prevent them from getting isolated.
i)	Energise the team when motivation is low by suggesting new ideas, humour or enthusiasm.
j)	Be supportive of your team-members.

15.8 TEAM CREATION

Team creation is a long-drawn process. Since there are many variables which affect team effectiveness besides team composition and team process, lot of preparation has to be made before implementing team creation programme. Therefore, team creation process should be broken into two parts: planning for team creation and implementation of team creation.

A) Planning for Team Creation

Creating team Organisation wide is long-drawn process. It is a drastic departure from the traditional hierarchy and authority and control orientation. Therefore, it requires lot of analysis before making a decision to have teams Organisation wide. Further lot of exercises have to be done before going through the implementation of programme for creating teams. Thus, planning for team

creation may be divided into, two parts: i) making decision for team creation and ii) preparation for implementation of team creation.

1. Decision for Team Creation

Before creating teams, an organisation must evaluate whether it has supporting conditions for creating teams. After all, teams have their own costs and benefits. Therefore, it is essential to assess whether benefits of teams will be more than their costs in a given situation. This situational context is very important to evaluate as many organisations have attempted at creating teams but they abandoned the idea in between because organisational situation did not support effective functioning of teams. Usually, organisations constitute a steering committee to assess whether they are in a position to create teams meaningfully. Sometimes external consultants are also invited to participate in this committee. The steering committee collects information on different aspects of organisation relevant to team creation and prepares a feasibility report. This report is discussed at the top level along with steering committee members. If organisational conditions are found to be suitable, decision for team creation is made. If the conditions are not favourable, team creation programme is postponed to a later date. Meanwhile, efforts are made to create suitable conditions by changing organisation structure, organisational policies, and even personnel through training. When the conditions turn to be favourable, the decision for team creation is made.

2. Preparation for Implementation

The decision is made to change to a team based organisation, preimplementation preparation is undertaken. Preparation involves five steps: preparation of mission statement, selection of the site for the first team, selection of design team, plan for the transfer of authority and drafting the preliminary plan for implementation for undertaking all these activities a person from top management is required to act as a change agent. He is responsible to ensure

that all activities related to team creation are carried out properly. Such a person needs to (1) have a strong belief that employees want to be responsible for their work, (2) be able to demonstrate the team philosophy, (3) articulate a coherent vision of the team environment, and (4) have the creativity and authority to overcome obstacles as they surface during team creation process under the guidance of the change agent, various preparatory activities are carried out as follows:

1. **Mission statement** is prepared to express how the organisation will be benefitted by creation of teams. The mission must be consistent with overall Organisational mission and strategy.
2. **Once the mission is formulated**, the steering committee needs to decide where teams will be created first. Selection of first site is crucial because it sets the tone for the success of the total programme. The initial site should be such which conforms the maximum number of conditions suitable for team creation. This site may be a department, division, or plant of the Organisation.
3. **After selecting the initial** site, a design team is constituted. This team is a select group of individuals who are aware of team working in general as well as conditions of initial site including personnel. The design team is responsible for working out operational details to make teams perform well. The initial team members are selected by the design team. The design team also works out the details of transition from the current state of affairs to the team environment.
4. **At this stage**, a plan is prepared when and how authority from management to teams will be transferred. The process of authority to teams is a gradual process at the initial stage. This is that teams created initially have much lower authority than what they might have at maturity stage.

5. **The last stage of planning** for implementation is to write the tentative plan for the Initial teams. This plan is generally prepared through the combined efforts of steering committee and design teams, The draft plan (a) recommends a process for selecting the people who will be in first team; (b) prescribes roles and responsibilities for all the people who will be affected by team creation (team members, team leaders, facilitators, support teams, managers, and even top management); (c) recommends what training different groups associated with teams will need; (d) identifies specifically what work processes will be involved; (e) describes what other Organisational systems will be affected; and (j) lays out a preliminary master schedule for the next two to three years.

B. Implementation of Team Creation Programme

Once the pre-implementation activities are completed, stage is set for undertaking programme of team creation. Team creation as a start-up and leading to self-managing team is a long process and it takes lot of time. Katzenbach and Smith suggest that creation of effective teams goes through five stages and during each of these stages, team performance varies considerably.

Thus, the five stages of implementation of team creation programme are startup, reality and unrest, leader-centred teams, tightly-formed teams, and self-managing teams. Let us see how these phases are completed.

1. Start-up Phase

Start-up phase consists of two broad activities: selection of team members and initial training.

- a. **Selection of Team Members-** Team members are selected according to the guidelines provided by the draft plan prepared before the team implementation. Though criteria for selecting team members may differ from team to team, depending on the nature of teams, their duration, nature of task, size, etc.,

usually, the considerations that are taken into account in selecting team members are team members skills (technical, problem-solving and decision making, and interpersonal), members' personality characteristics (extroversion, agreeableness, conscientiousness, and emotional stability), members' flexibility, and members' preferences.

- b. Initial Training-** Team members need training on continuous basis. Training at the initial stage is informational or awareness training that sends the message that top management is firmly committed to teams and that teams are not experimental. Training covers the rationale for moving to a team-based Organisation, how teams were selected, how they work, roles and responsibilities of teams, compensation, and job security. In general, training covers the technical skills necessary to do the work of the team, administrative skills necessary for the team function within the Organisation, and interpersonal skills necessary to work with others in the team and throughout the Organisation. Since additional attention is paid to the team members through training and other cues, their enthusiasm runs high, consequently higher team productivity.

2. Reality and Unrest

Sometime after the initial enthusiasm, team members and those associated team working start realizing reality of the situation and their initial enthusiasm starts turning into frustration. For team members, unfamiliar tasks, more responsibility, and worry about job security replace hope for the opportunities presented by the team approach. Other personnel associated with the team working start feeling ambiguity about their roles in the new environment. Managers make the mistake of staying away completely from the newly formed teams, thinking that the whole idea is to let teams manage themselves. In reality, managers need to be very visible to provide encouragement, to monitor team performance, to act as intermediaries between teams, to help teams acquire needed resources, and to foster right type of communication. Because of

ambiguity prevailing in teamwork, team performance goes down which frustrates managers.

3. Leader-centred Teams

In order to overcome frustration developed at the second phase, managers start taking active part in the working of teams. They even give direction about how team functioning is to proceed smoothly. This situation seems to be like reverting back to manager-centred organisation structure. However, team members keep on learning about self-direction and leadership from the team and start to focus on a single leader on the team. In addition, the team begins to think of itself as a unit as members learn to manage themselves. At this stage, managers begin to get a sense of positive possibilities of organising in teams and start withdrawing slowly from the daily operations of the teams. They begin focusing on standards, regulations, systems, and resources of the teams. The steering and design committees must take steps to ensure two things during this phase. First, there should be rise of strong internal team leaders. Either the team leaders may be appointed by the organisation, or team members may select their own leaders for a long-term period, or team leaders may be rotated periodically, may be on monthly or quarterly basis. Second, each team should develop its own sense of identity. Some of the methods that can be applied for this purpose are visits of matured teams by newly developed teams, continued training in problem solving, and flexibility to teams to develop social activities and distinct identity in the form of choosing their own names, logos, etc.

4. Tightly-formed Teams

In this phase, teams start working as tightly formed teams and their focus is on internal working. They remain busy in solving their problems, managing their schedules and resources, and resolving internal conflicts. For a team, the prime concern becomes its own productivity and communication among different

teams starts diminishing. With the result, inter-team rivalry gets heightened leading to unhealthy competition among different teams. This becomes detrimental to the teams as well as the Organisation. At this stage, managers can take certain steps to ensure that each team continues to do the things that have resulted into high productivity and there is mutual cooperation among different teams. First, managers need to keep open the communication channels among different teams through rotating team representatives who meet regularly to discuss what works and what does not and rewarding teams who communicate and cooperate with other teams. Second, managers need to provide performance feedback to teams as early as possible. This feedback should contain how individual teams are performing in their own area of operation and how they are cooperating with other teams. Third, teams are given authority to manage themselves according to the plan envisaged. Managers have to ensure that all team members have followed the plan to get training in all the skills necessary to do the work of the team. By the end of this phase, teams should be ready to take responsibility for managing themselves.

5. Self-managing Teams

This phase is the end result of planning and implementation of team creation. By this time, teams are able to meet or even exceed their performance goals. Team members have taken responsibility for team-related leadership functions and managers, at this stage, might have withdrawn from daily operations of the team and have confined themselves to provide counseling to teams. Though teams are mature and functioning well, several things have to be done to keep them on track **First** individuals and team need to continue training in job skills as well as team and interpersonal skills **Second** support systems need to be improved to facilitate team productivity **Third** teams always need to improve their internal supplier and customer relationships within the organisation as a team is dependent on other teams for getting inputs from other teams and supplying outputs to some other teams.

A. CHECK YOUR PROGRESS :

Fill in the blanks :

- (i) Five stages of implementation of team creation programme are.....,,..... And.....
- (ii)is said to exist when the effort of team members are systematically integrated to achieve a collective objective.

15.9 CONCEPT AND NATURE OF LEADERSHIP

The word leadership has been widely used by political orators, business executives, social workers, philosophers and scholars both in speech and writing yet the real meaning has eluded almost everybody. This is clear from the fact that a comprehensive volume summarizing research on leadership includes 150 pages of bibliography and cites more than 2,500 studies. Yet the last chapter in the book, “Directions for Future Research”, concludes that, as far as understanding leadership goes, only a beginning has been made.

We quote a few important definitions on leadership from the existing literature. These definitions reveal the essence of leadership.

1. Leadership is “the process of encouraging and helping others to work Enthusiastically towards objectives”.
2. Leadership is “the behaviour of an individual when he is directing the activities of a group towards a shared goal”.
3. Leadership is “interpersonal influence, exercised in a situation and directed through the communication process, towards the attainment of a specified goal or goals.”
4. Leadership is ‘an interaction between persons in which one presents information of a sort and in such a manner that the other becomes convinced that his outcomes (benefits/ costs ratios) will improve if he behaves in the manner suggested or desired”.
5. Leadership is “both a process and property. The process of leadership is the use of non-coercive influence to direct and co-ordinate the activities of the members of an organised group towards the accomplishment of group objectives. As a property, leadership is the set of qualities or characteristics attributed to those who are perceived to successfully employ such influence.

6. Leadership is “the relationship in which one person (the leader) influences others to work together willingly on related tasks to attain goals desired by the leader and / or group”.

The core points that run through all these definitions and which constitute the essence of leadership are the following:

- a) Leadership refers to the ability of one individual to influence others.
- b) The influence is exercised to change the behaviour of others.
- c) Behaviour is changed through non-coercive means.
- d) Change of behaviour is caused with an objective of achieving a shared goal.
- e) The person influencing others (leader) possesses a set of qualities or characteristics which he or she uses to influence others, as the opening case indicates.
- f) Leadership is a group phenomenon. It involves interaction between two or more people.

15.10 IMPORTANCE OF LEADERSHIP

The importance of leadership is too well known to need any emphasis.

Leadership is the process of committing a group of people to specific goals. Without leadership, an organisation would be what the sage Valmiki wrote in the Ramayana:

“Like a herd of cattle without a keeper

Like an army without a general

Like a night without moon

Like a group of cows without a bull

Such would be the country

Where the king is not seen.”

A leader not only commits his followers to organisational goals, he also pools needed resources, guides, and motivates subordinates to reach the goals.

The leadership process is similar in effect to that of the secret chemical that turns the insect pupa into a butterfly with all the beauty that was the pupa’s potential into reality, This role is often seen in giant firms and tiny units. In all cases, leadership is the ultimate act that identifies, develops and uses the potential that is in an organisation and its people.

Leadership is not mere using of people and their potential for realizing an organisation’s goals. It has the ultimate aim of raising the level of human conduct and ethical aspiration of both the leader and the led. This aspect of leadership is what Burns calls the transforming leadership. The leader should elevate, inspire, and evangelise his followers to higher things in life.

High sounding words indeed! In reality, effect of leadership on organizational effectiveness seems to be relative because of the following possibilities:

- Poorlyperformoing organizations find it difficult to attract best leaders.
- Not all leaders have the same abilities and experience.
- Environmental and organisational factors can override any effects the leader may have.
- Organisations continue to flourish even after the change of leadership.

15.11 FORMALAND INFORMAL LEADERSHIP

Formal leadership occurs when a manager leads by exercising formal authority. The exercise of formal authority throug such acts as assigning duties, derives from the manager’s official within the organisation’s hierarchy of authority. Any employee who

is assigned a managerial position has the opportunity and responsibility to exercise formal leadership in relation to subordinates. Some managers have a better understanding of the authority and formal relationship with subordinates provided by a managerial position; thus, they are more influential in ensuring that subordinates' work efforts are productive. These managers are better leaders.

Informal leadership arises when a person without formal authority is influential in directing the behaviour of others. Although not formally appointed or elected, he becomes a leader through his actions or personal attractions.

Formal and informal leadership coexist in almost every work situation. Manager must often work with subordinates who differ to a strong informal leader within their peer group. Managers themselves may act as formal leaders in some situations and as informal leaders in others. When acting as a formal leader, the manager follows the chain of command and exerts influence downward in the hierarchy of authority from manager to subordinates. By contrast, when acting as an informal leader, the manager influences employees outside the formal organisational chain of command. Interpersonal charisma or persuasiveness is required for informal leadership because the informal leader lacks formal authority.

15.12 THEORIES OF LEADERSHIP

From the beginning of the 20th century, many distinguished authors and researchers have contributed to the rich knowledge on leadership. Without the forward-looking visions of past generations (some of whom are listed in Table 17.2), we would not have the insights that we have today. While, examining all the earlier contributions is rather unnecessary, we focus on certain works, which are relevant even today.

Historically, focus on leadership in theories shifted from one dimension of leadership to another. Early leadership research focused on the leader himself or herself to the virtual exclusion of other variables. It was assumed that leadership effectiveness could be explained isolating psychological, physical characteristics, or traits, which were presumed to differentiate the leader from the other members of the group.

As the years went by, the focus shifted from the personality of the leader to his or her behaviour while delegating tasks to subordinates and communicating with them. It was believed by the behaviourists that a leader's effectiveness depended upon behaviours and not on traits alone.

More recently, the situation in which the leader operates has been given much importance. It is believed that the leadership effectiveness depends on the situation in which the leader operates.

We shall discuss a few important theories on leadership with an assertion that any theory will be complete only when it covers three important dimensions of leadership, namely:

1. The leader and his or her psychological attributes;
2. The follower with his or her problems, attitudes, and needs; and
3. The group situation in which followers and leaders relate with one another.

To concentrate on any one of these three factors represents oversimplification of an intricate Phenomenon.

The theories of leadership are of the following types :

- 15.12.1 Trait Theory
- 15.12.2 Behavioural Theory
- 15.12.3 Situational Theory

15.12.1 Trait Theory

The trait theories of leadership focus on the individual characteristics of successful leaders. According to the theories, leaders possess a set of traits

which make them distinct from followers. An attempt must, therefore, be made to identify and measure these traits.

Attempts were indeed made in the past to identify such qualities. Ralph Stogdill, for instance, surveyed more than 5,000 leadership studies and concluded that successful leaders tend to have the following qualities:

- 1) A strong desire for accomplishment.
- 2) Persistent pursuit of goals.
- 3) Creativity and intelligence used to solve problems.
- 4) Initiative applied to social situations.
- 5) Self-assumed personality.
- 6) Willingness to accept behavioural consequences.
- 7) Low susceptibility to interpersonal stress.
- 8) High tolerance of ambiguity.
- 9) Ability to influence other people.
- 10) Ability to structure social interactions.

Most of the research on leadership conducted till now concentrated mainly on the unique qualities of successful leaders. There has been little systematic study of the personal traits of unsuccessful leaders. Probably, ineffective leadership is associated with such qualities as poor temperament, self-centredness, inability to get along with others, lack of vision, lack of character and mental health problems such as aggression, depression, disorganisation, paranoia, neurosis and procrastination. In addition, some attitudinal factors seem to be associated with ineffective leaders. These include: (1) overconcern with morale, (2) failure to maintain an objective attitude, (3) lack of a sense of proportion, (4) practising “polarisation” or seeing others as either good or bad, (5) idealism in decision making and (6) over-eagerness to do the “right” things.

Evaluation of the Trait Theory: The trait approach to leadership has been severely criticised by many. Some of the limitations of the theory are the following:

- 1) The list of personality traits of successful leaders is too long and there seems to be no finality about it. Although hundreds of traits have been identified, no consistent pattern has emerged.
- 2) How much of which trait a successful leader must have is not clear. Furthermore, certain traits, particularly psychological, cannot be quantified.
- 3) The theory assumes that a leader is born and not trained. This assumption is not acceptable to the contemporary thinkers on the subject.
- 4) Contrary to what the theory assumes, leadership effectiveness does not depend upon the personality of the leader alone. Other variables like the situation, the task, the organisation and the characteristics of followers will equally determine the effectiveness of leaders.
- 5) It is well known that people who fail as leaders and people who never achieve positions of leadership often possess some of the same traits as successful leaders. Thus, for example, although taller people may generally be more successful as leaders, many tall people have neither the inclination nor the capabilities to be leaders. At the same time, many short people have risen to positions of leadership.
- 6) There is little consensus on the meaning of words used to label traits. In a study of extensive leadership qualities, a researcher demonstrated the magnitude of this problem when he asked 75 top executives to define the term “dependability, a trait associated with effective leadership. The executives defined this trait in 147 different ways. Even after similar definitions had been combined, 25 different definitions remained.

Third, the view that leaders are born, not made is in fact, still popular (though not among researchers). After a lifetime of reading popular novels and viewing films and television shows, perhaps most of us believe, to some extent, that there are individuals who have predisposition to leadership, that they are naturally braver, more aggressive, more decisive and more articulate than other people.

Finally, the theory has certain practical implications also. If leadership traits could be identified, then nations and organisations would become far more sophisticated in selecting leaders. Only those people who possess the designated leadership traits would become politicians, officers and managers. Presumably, organisations and societies would then operate more effectively.

15.12.2 Behavioural Theories

Beginning in the late 1940s and continuing through the early 1960s, researchers moved away from an emphasis on traits and towards the study of leader behaviours. This new approach differed from the trait-oriented research in at least two ways. First, actual leader behaviours instead of personal traits were the main focus. Second, whereas most trait studies sought to separate leaders from non-leaders, leader behaviour studies wanted to determine how various kinds of specific behaviour affect the performance and satisfaction of followers.

The Ohio State University studies and the University of Michigan studies are the two important behavioural theories.

1. **Ohio State University Studies:** These well publicised studies were started shortly after World War II. The main objective of the studies was to identify the major dimensions of leadership and to investigate the effect of leader behaviour on employee performance and satisfaction. From a list of leader behaviours in a wide variety of situations, two leadership dimensions were identified.

- i. The initiating structure, which refers to leader behaviour that defines and organises the group tasks, assigns the tasks to employees and supervises their activities.
- ii. Consideration refers to leader behaviour that can be characterised by friendliness, respect, supportiveness, openness, trust and concern for the welfare of the employees. The main point in the study is that both consideration and initiating structure are not seen as being placed on a continuum. That's rather than a leader necessarily being low on one dimension when high on the other, the leader could be high on both, low on both, or high on one and low on the other as seen in the quadrants shown in Fig. 17.4.

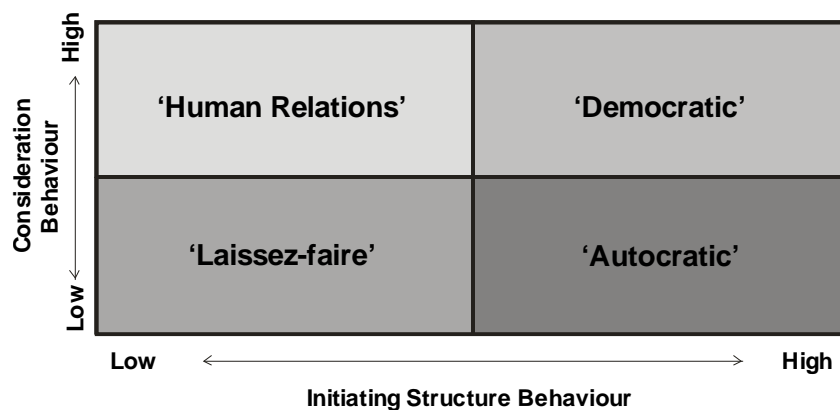


Fig . 17.4

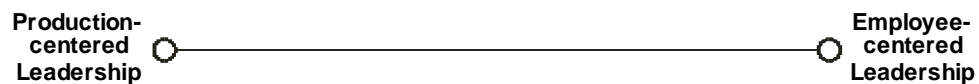
The findings of the Ohio State studies can be summarised as follows:

- 1) Consideration was positively related to low absenteeism and grievance, but it was negatively or neutrally related to performance,
- 2) Initiating structure was positively related to employee performance but was also associated with such negative consequences as absenteeism and grievances.

- 3) When both consideration and structure were high, performance and satisfaction tended to be high. But in some cases, high productivity was accompanied by absenteeism and grievances.

2. **The University of Michigan Studies:** These studies were conducted during the same period as those at Ohio State and resulted in identical conclusions. As in the Ohio State University studies, researchers at the University of Michigan distinguished between two dimensions of leadership: production-centred and employee-centred. Production-centred leaders set rigid work standards, organised tasks down to the last detail, prescribed the work methods to be followed and closely supervised subordinates' performance. Employee-centred leaders, on the other hand, encouraged employee participation in goal-setting and in other work-related decisions, and helped ensure high performance by inspiring respect and trust.

At first the findings of Michigan studies seemed to refute the Ohio State research because they place leadership on a continuum such as the one shown in Fig. 17.5 and concede that the further to the right the leaders go, the better-off they are. But a deeper analysis reveals that employee and work orientation are two separate dimensions and that a leader can be either high or low on one or both. Thus, the two styles discovered by the Michigan researchers were similar to those of the Ohio State people, the production-centred leadership factor and the initiating-structure factor both measured work orientation, while the employee-oriented factor and the consideration factor both measured people orientation.



Evaluation of Behavioural Theories: In leader behaviour theories, unlike in the trait theories, the focus was on what leaders did — how they delegated the tasks, how they communicated with and tried to motivate their subordinates, how they carried out their tasks and so on. The theories underlined that the behaviours can be learnt and an individual trained in the appropriated leadership behaviours would be able to lead more effectively. This is the main contribution of the leader behaviour theory.

Behavioural theory however, could not successfully Identify a consistent relationship between leadership behaviour and group performance. General statements could not be made because results would vary over different range of circumstances. What was missing was the consideration of the situational factors that influence success or failure.

B. Check Your Progress

Tick [✓] the correct option

(i) Which of the following statements concerning the rational and emotional aspects of leadership is false

(a) Leaders can use rational techniques and/or emotional appeals in order to influence followers.

(b) Leadership includes actions and influences based only on reason and logic.

(c) Aroused feelings can be used either positively or negatively.

(d) good leadership involves touching others feelings.

(ii) To many, the word management suggests

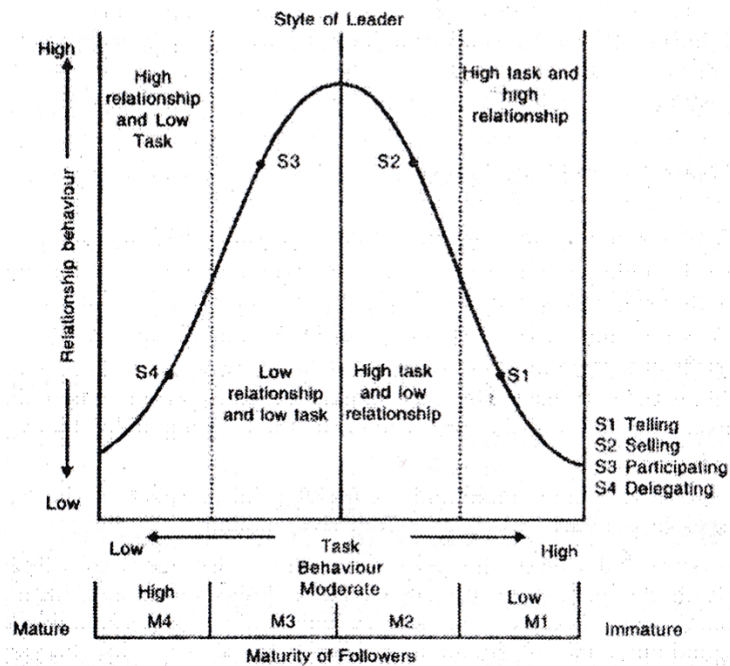
a) Dynamism b) Risk-taking- c) Efficiency d) Creativity

(iii) According to the text, leadership is often more associated with

a) Consistency b) Planning c) Paperwork d) Change

15.12.3 The Situational Leadership Theory: Paul Hersey and Kenneth Blanchard have developed a situational model of leadership that adds “maturity” of followers as a contingency variable which deserves due consideration. The two authors feel that situational leadership requires adjusting the leader’s emphasis on task behaviours (i.e., giving guidance and direction) and relationship behaviour (i.e., offering socio-emotional support) according to the maturity of follower in performing their tasks, Maturity in this context is understood not as age or emotional stability but as desire for achievement, willingness to accept responsibility and task-related ability and experience. The goals and knowledge of the followers are important variables in determining effective leadership style.

Hersey and Blanchard believe that the relationship between the leader and subordinates moves through four phases — a kind of life cycle — as subordinates develop and mature and that managers need to vary their leadership styles with each phase (See Fig. 15.6). In the initial phase - when subordinates first enter the organisation - a high task orientation by the manager is most appropriate. Subordinates must be instructed in their tasks and familiarised with the organisation’s rules and procedures.



At this stage, a non-directive manager causes anxiety and confusion among new employees, however, a participatory employee relationship approach would also be inappropriate at this stage because subordinates cannot yet be regarded as colleagues. This style is called the ‘directing’. or “telling” approach of leadership.

As subordinates begin to learn their tasks, task-oriented management remains essential, as subordinates are not yet willing or able to accept full responsibility.

However, the manager’s trust in and support of subordinates can increase as the manager becomes familiar with subordinates and desires to encourage further efforts on their part. Thus, the manager may choose to initiate employee-oriented behaviours. This style is called “selling” or “coaching” approach to leadership.

In the third phase (here it is the ‘participating’ or “supporting” style), the subordinates’ ability and achievement motivation are increased and subordinates actively begin to seek greater responsibility. The manager will no longer need to be directive (indeed, close direction might be resented). However, the manager will continue to be supportive and considerate in order to strengthen the subordinates’ resolve for greater responsibility.

“Delegating” is the style which the manager follows in the final stage. Here, the manager can reduce the amount of support and encouragement as subordinates

gradually become more confident, self-directing and experienced. Subordinates are on their own” and no longer need or expect a directive relationship with their manager.

Evaluation: The situational leadership theory has generated considerable interest because it recommends a leadership type that is dynamic and flexible rather than static. The motivation, ability and experience of subordinates must be constantly assessed in order to determine which style combination would be most appropriate under flexible and changing conditions. If the style is appropriate, according to Hersey and Blanchard, it will not only motivate employees but will also help them move towards maturity. Further, the theory gives specific attention to followers and their feelings about a task or job to be done. Finally, the theory is one of the more popular leadership training module available today. Partly enhanced by the success of Blanchard’s book *The One Minute Manager*, many organisations make use of the model and its associated instruments.

The theory is, however, weak on three counts. First, the theory requires that a leader be perceptive enough to determine a subordinate’s maturity development level on a task. How to assess the maturity level is a difficult task.

Secondly, situational leadership, like most contingency theories, is heavily based on the need for style flexibility. Is it possible to change style as subordinates mature? Although, it is desirable that ‘the leaders are adaptable, there is a strong belief that this is not possible.

Finally, the theory assumes that the nature of the task being supervised is such that the leader can treat each employee in a slightly different way. There is no doubt that this is a reasonable assumption in many cases. But in practice, can a leader exhibit different leadership styles when all members of the group perform the task together? This question remains unanswered.

Thus, viewed from conceptual and methodological perspective, the theory remains an intuitively appealing model that needs empirical validation.

15.13 LET US SUM UP

In a typical organisation, both leadership and management roles are combined in every individual. Whether one is a leader or manager depends on what role he or she performs at any given time. In fact, backed by leadership traits, an executive is in a stronger position to perform managerial functions that result in desired outcomes.

15.14 GLOSSARY

- **Leadership**- It refers to the ability of one individual to influence others.
- **Team** - Team has a small number of people with complementary skills for a common goal.

15.15 SELFASSESSMENT QUESTIONS

1. Explain with an example the use of fish bone effect to improve quality in the organisations

2. Explain the importance of teams in an organisation .

15.16 LESSON END EXERCISES

What are the different types of teams ?

What is the importance of leadership?

Answers to check your progress

A (i) Forming, storming, Norming, performing, adjourning

(ii) Cooperation

B (i) d (ii) c (iii) d

15.17 SUGGESTED READINGS

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ORGANISATIONAL CONFLICT

STRUCTURE

- 16.0 Learning Objectives and Learning Outcomes
- 16.1 Introduction
- 16.2 Concept and Meaning of Conflict
- 16.3 Individual Level Conflict
- 16.4 Inter-personal Conflict
- 16.5 Inter-group Conflict
- 16.6 Organisational Level Conflict
- 16.7 Conflict Management
- 16.8 Let us sum up
- 16.9 Glossary
- 16.10 SelfAssessment Questions
- 16.11 Lesson End Exercise
- 16.12 Suggested Readings

16.0 LESSON OBJECTIVES

- (i) To impart knowledge to the learners about the organisational conflict
 - (ii) To acquaint learners with the types of conflict.
- To provide insight about the process of conflict

LEARNING OUTCOMES

After going through this lesson, you will be able :

- (iii) to define Organisational conflict & explain its concept
- (iv) to list out the types of conflicts
- (iii) to explain the process of Conflict

16.1 INTRODUCTION

Conflict is a part of everyday life of an individual or of an organisation. Conflict affects an organisation effectiveness.

Conflict is a collision or disagreement. The conflict may be within an individual, between two individuals or between two groups in an organisation. Cheering and Megginson define conflict as the struggle between incompatible or opposing needs, wishes, ideas, interests or people.

Conflicts arise when individuals or groups encounter goals that both parties cannot obtain satisfactorily. Conflicts are the process that begins when one party perceives that another party has negatively affected, or is about to negatively affect, something that the first party cares about.

S.No.	Traditional View	Current View
1.	Conflict is avoidable	1. Conflict is inevitable
2.	Conflict is caused by management error in designing organisation, or by trouble makes.	2. Conflict arises from many causes including organisational Structure, unavoidable differences in goals differences in perceptions and values of specialised personal and so on
3.	Conflict disrupts the organisation and prevents optimal Performance.	3. Conflict contributes and detracts from organisational performance in varying degrees
4.	The task of the management is to eliminate conflict management	4. The task of the management is to manage conflict and its resolution for optimal Organisational performance

5.	Optimal organisational performance requires the removal of conflict.	5. Optimal Organisational Performance requires a moderate level of conflict.
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Table 16.1 : Traditional and Current views of conflict

Types of Conflict

Functional and Dysfunctional conflict

Functional conflict refers to confrontation between two ideas, goals and parties that improve employees and the organisation's performance well managed conflict helps workers anticipate and solve problems feel confident, strengthen their relationships and be committed to the Organisational constructive conflict is crucial for effective functioning of Organisations.

Benefits of conflict

1. Conflict increases awareness of what problem exists who is involved, and how to solve the problem.
2. Conflict motivates Organisational members to consider problems. They are energized and psychologically focused on the problems and motivated to put plans into action.
3. Conflict promotes change.
4. Conflict enhances morale and cohesion.
5. Conflict helps in sharing of information.
6. Conflict stimulates interest and creativity.
7. Conflict adds to the fun of working with others.

Dysfunctional Conflict

Conflict can tear relationships apart and interfere with the exchange of ideas information and resources in groups and between departments Dysfunctional conflict hinders and prevents Organisational goals from being achieved.

16.2 CONCEPT AND MEANING OF CONFLICT

Conflict in some form or degree is part and parcel of human life and Organisations are not free of it. Some types of conflicts in the organisations are apparent to even a casual observer. One of the most exciting and novel developments in the social sciences has been the attempt of behavioural scientists to treat the subject of conflict as one which is capable of scientific analysis whose causes, processes, and manifestations can be explicated in such a way that organisational conflict may be brought not only under some measure of control, but in fact, positively exploited as a means of promoting effective changes. This lesson analyses the various aspects of conflicts so as to minimize them for better organisational functioning.

The term conflict may mean different things to different persons It may be regarded as the disagreement or hostility between individuals or groups in an organisation. It may even mean rivalry or competition or may be viewed as the perception of disagreement in the individuals. However, while understanding these stages is relevant for taking precautionary measures so that possibility of arousal of conflicts is minimized or done away, each stage cannot be treated as conflict but only that stage should be treated as conflict which results in a breakdown in the standard of decision making. Thus, conflict is a situation in which a person deliberately tries to offset the effort of another person by blocking in some form that will result in frustrating the goal achievement of the latter. For understanding the nature of conflict, we have to identify the issues involved in a conflict which leads to breakdown in the standard of decision making.

There are four basic issues which may be involved in a conflict either exclusively or jointly with others. These are facts, goals, methods, and values.

- **Facts-** Conflicts may occur because of disagreement that the persons have over the definitions of a problem, relevant facts related to the problem, or their authority and power.
- **Goals-** Sometimes, there may be disagreement over the goals which two parties want to achieve. The relationship between goals of the parties may be viewed as incompatible with the result that one may achieve goal at the cost of the other.
- **Methods.** Even if goals are perceived to be the same, there may be difference over the methods procedures, strategies, tactics, etc. through which goals may be achieved.
- **Values.** There may be differences over the values ethical standards, considerations for fairness, justice, etc. These differences are of more intrinsic nature in persons and may affect the choice of goals or methods of achieving them.

On the basis of above description of conflict, we may derive its various features which are as follows:

1. Conflict arises because of incompatibility of two or more aspects of an element; it may be goals, interests, methods of working, or any other feature.
2. Conflict occurs when an individual is not able to choose among the available courses of action.
3. Conflict is a dynamic process as it indicates a series of events; each conflict is made up of series of interlocking conflict episodes.
4. Conflict must be perceived and expressed by the parties to it. If no one is aware of a conflict, it is generally agreed that conflict does not exist even though there may be incompatibility in some respect.

16.3 INDIVIDUAL LEVEL CONFLICT

The analysis of conflict starts at the individual level because the organisation is composed of individuals and many conflicts arise at the individual level. Though there should be two parties to the conflict, it may arise within an individual because of lack of smooth progression of the need—drive—goal cycle. Within an individual, there are usually a number of competing goals and roles. Thus, there may be interpersonal conflict when two individuals interact.

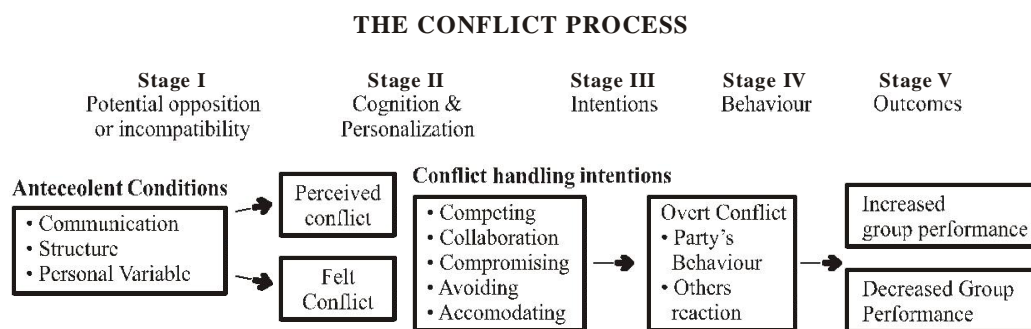


Figure 16.2

Goal Conflict

It occurs at the individual level when an individual faces the problem of choosing among two or more goals which are mutually competing in some way. Existence of mutually competing goals may lead to three possible alternatives:

1. *Approach -Approach Conflict*
2. *Approach -Avoidance Conflict*
3. *Avoidance -Avoidance Conflict*

1. **Approach-Approach Conflict:** This conflict arises when a person faces the problem of selecting from among two or more equally attractive goals which are mutually exclusive. Conflict arises in the mind of the person because he can only choose one alternative at the cost of other equally positive alternative.
2. **Approach-Avoidance Conflict:** This arises when a person has a alternative which has both positive and negative aspects. For example, if a person gets a

opportunity but at a place which he does not like, he has a conflict as there are positive and negative aspects involved.

3. **Avoidance-Avoidance Conflict:** This arises when a person has to choose from two mutually exclusive goals, each of which possesses equally negative aspect. In such a case, unless another alternative is available, the conflict remains unresolved.

Goal Conflict has an important implication for integrating individual and Organisational goals. While Approach-Approach Conflict may be mildly distressing for the people, other goal conflicts are quite harmful to the organisation. Therefore, general approach of the management should be to resolve goal conflict by building compatibility between individual and Organisational goals.

Role Conflict: A role is a set of expectations people have about the behaviour of a person in a position. Such a behaviour may be formally prescribed by job description, delegation, organisational manuals and is derived from tasks, missions, procedures and the like. Role conflict occurs when expectations of the role are materially different or opposite from the behaviour anticipated by the person in that role. Mutually exclusive expectations arise from a person's behaviour in four ways :

- 1 When a person is asked to do a job for which he is not capable of doing or time and resources are not sufficient to do that job
- 2 When the person is asked to do a job which does not fit with his own value system
3. When a person receives roles from different sources but the sources prescribe different behaviour e.g. The CA may have guidelines as prescribed by the Institute of Chartered Accountants but he has to follow different principles in the Organisation.
4. When the person holds two or more roles and their expectations are different. E.g. A worker may be a member of Committee and also trade union and he has to justify two roles.

Reasons of Role Conflict :

1. **Role Ambiguity:** Individual is not clear about his job duties and responsibilities. E.g. a Medical Representative is not clear if he has to sell the product or just meet the doctor.
2. **Organisational Positions:** This happens because there are different expectations from a position; each individual or group of individuals has particular expectations which may not be compatible. As supervisors position in the organisation, where a supervisor is a part of the management team, he comes from amongst the workers, he has his own values and attitudes. Conflict arises in as to what should be done by the supervisor.
3. **Personal Characteristics :** Certain personality characteristics are more prone to role conflict e.g. introverts develop social relationships that are easily undermined by conditions of stress while an individual who is strongly achievement oriented exhibits a high degree of personal involvement with his job and adverse effects of conflicts are more pronounced for him than those who are less involved.

Role conflict has a serious dysfunctional effect as it provides conflicting situation where the effort of human beings can go waste because they do not work the way in which they should apply themselves. Therefore management should take steps to avoid role conflict as far as possible by describing role expectations clearly. This can be done by proper job description, clarity in authority and responsibility and setting proper Organisational climate.

16.4 INTER-PERSONAL CONFLICT

It involves two or more individuals rather than only one individual with different goals or roles. It arises due to interpersonal interactions. Such Interactions may be between superior and subordinate, between two functional specialists, two professionals, etc.

People interact in two types of relationships Vertical and Horizontal The Organisation may have provision for diagonal interaction in which conflict may also arise. Vertical conflict arises between superior and subordinate. Horizontal conflict is

at the similar level diagonal conflict takes place between people of different levels but not having superior subordinate relationships

Conflict arises due to these factors :

1. **Nature of Persons:** Differences among people leads to conflict there are differences in Ego states, way of thinking, feeling and behaving. People come from different socio cultural backgrounds based on caste, religion, family, etc. and therefore conflict arises.
2. **Situational Variables:** Factors like grouping of activities, interdependence on each other, role ambiguity if are not conducive create situations of conflict.

16.5 INTER-GROUP CONFLICT

Groups exist in every Organisation at both formal and informal level Inter group conflict arises because of interaction of various groups. There are various factors which determine inter group relationships they may either create harmonizing situation or conflicting situation factors are as:

1. **Incompatible Goals:** The goal attainment by one group may prevent or reduce the level of goal attainment of one or more goals E.g. Labour wants more wages and this means reduction of profit and there is a conflict
2. **Resource sharing:** The discrepancy between aggregated demand and available resources creates conflict since resources are scarce and limited and each group wants a major share there arises a conflict
3. **Task interdependence:** It refers to the dependence of one unit on another for resources or information. A dependent task Relationship may result in one group having the ability to dictate or unilaterally determine the outcome of interaction between the two groups
4. **Absorption of Uncertainty:** There are uncertainties in the environment. Conflict arises when uncertainty absorption by one group is not in accordance with the expectations of other groups.
5. **Attitudinal Sets:** The sets of attitudes that the members of various groups

hold towards others can be a cause of conflict among groups. If the group relations begin with the attitudes of distrust, competitiveness, secrecy and closed communication, there is a possibility that the group relations will become hostile rather than cooperative.

6. **Joint Decision Making Process:** Because of interdependence groups involve in joint decision making process. This process may not progress smoothly if people have different sources of information if there are leakages and blockages in the channelling of information to different levels if the techniques of processing information by different groups are different.

A. Check your progress

Fill in the blanks (✓) the correct option :

- (i).....refers to a conflict, encounter and dispute in OCTAPAC
(a) confrontation (b) denners (c) trust (d) autonomy
(ii) which of the following is conflict stimulation
(a)expansion of resources (b) compromise (c) bringing in outsiders (d)
Authroritative command

16.6 ORGANISATIONAL LEVEL CONFLICT

In any organisation there are several activities that are termed as dysfunctional or wasteful. An organisational practice is wasteful if it fails to accomplish organisational objectives. Sometimes these practices occur slowly, silently without warning and are often extremely difficult to recognize. Hence they are difficult to control. Such wasteful activities arise either out of structural reasons or behavioural reasons in the Organisation. For example if the organisation has been designed on functional basis without taking adequate care of coordination problems, there may be interdepartmental conflict leading to wastages of Organisational resources. Similarly if the behavioural pattern is developed in such a way that individuals pursue their own personal objectives without contributing to Organisational objectives at the same time, there may be wastage of Organisational resources.

Organisational conflict is a process in which 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

Basic Features :

1. Conflict is a process which suggests that it contains some activities leading to certain end results
2. Conflict occurs when two or more parties pursue mutually exclusive goals, values or events.

3. Conflict refers to a deliberate behaviour. If interference occurs accidentally, there is no conflict.
4. Conflict can exist either at latent or overt level, mere thinking of incompatible goals or values is not sufficient for conflict.
5. Conflict is different from competition. In conflict one party sees an opportunity to interfere the other's opportunity to acquire the resources or perform activities

There are two aspects of Organisational Conflict

- FunctionalAspect
- Dysfunctional aspect

Functional Aspect :

1. Stimulant for change
2. Creativityand innovation
3. Group Cohesion
4. Avoidance of Tension

Dysfunctional Aspect :

1. Disequilibrium in Organisation
2. Stress and Tension
3. Diversion of energy

16.7 CONFLICT MANAGEMENT

Conflict beyond certain level is dysfunctional. Management should take steps to resolve the conflict. There can be two measures: Preventive measures and Curative measures. In preventive measures, attempts are made to create situations in which conflicts does not take place while curative measures deal with resolving the conflict. These measures can be done in terms of: establishment of common goals, change in structural arrangement, and conflict resolution actions. Thus, if the conflict is not dysfunctional but is leading to healthy competition it can be encouraged. It is unlikely

that a conflict is constructive in absence of a proper Organisational climate. A major part of Organisational climate as relevant to conflict management is built through common goals and proper structural arrangement.

Establishment of Common Goals

If common goals are established much conflicts can be avoided. Goal difference can be avoided by establishing mutually agreed goals.

Conflict can be avoided by adopting appropriate incentive and reward system. It should be ensured that the incentive system so adopted is capable of motivating people for better performance.

Another method of reducing conflict is the reference of super ordinate goals. A super ordinate goal is a common goal that appears to all the parties involved and cannot be achieved by the resources of a single party separately.

Structural Rearrangement:

Structural arrangements are helpful in reducing the amounts of conflicts

1. **Reduction in Interdependence:** The potential for conflict is very great in situations where two or more departments have to work in an interdependent manner. Therefore conflict may be minimised by reducing interdependence among departments. Interdependence can be lessened by creating various units on the basis of self contained resources, and units using similar resources should be put together.
2. **Exchange of Personnel:** Better way to minimize conflict is to exchange personnel of these units for a specified period of time. An exchange of personnel is very similar to role reversal which is aimed at greater understanding between people of various units.
3. **Creation of special integrators:** The integrators can resolve problems arising out of interdependent relationship between two or more units
4. **Reference to superior's authority:** The superior has the authority to dictate both the parties and can bring the conflicting parties together

Conflict Resolution actions :

These are curative methods to overcome the problems of conflict. Conflict arising in the Organisation should be resolved amicably so that its negative effect is reduced. There are several methods:

1. **Problem Solving:** An attempt is made to bring the parties together with the responsibility of solving the mutual problems rather than merely finding way to accommodate their respective perspectives
2. **Smoothing:** Smoothing is the process of playing down the difference that exist between parties to the conflict and emphasizing upon common interests and attempt is made to bring the two parties together by removing misunderstanding but not necessarily emphasizing the problem of conflict The common cause of conflict is removed.
3. **Compromise:** Compromise is a traditional technique of resolving conflict in which neither party is a definite loser or distinct winner. Compromise can be arrived either through the process of bargaining or through mediation or arbitration. In bargaining the parties are brought together and they negotiate among themselves and can arrive at some decision on the basis of give and take. In Mediation there is third party intervention. Third Party tries that the two parties arrive at certain mutually agreed solution to the problem resulting conflict. In arbitration, third party may give a verdict an the problem being accepted to both the parties
4. **Confrontation:** Is a technique in which parties to the conflict are left free to settle their score by mobilising their strengths and capitalising on the weaknesses of others. The technique is adopted when parties are rigid and parties involved identify their weaknesses and can try to overcome these. This technique can be used only on the organisations working on competitive spirits
5. **Avoidance:** Avoidance involves withdrawal of parties from the scene of the conflict when the parties to the conflict fail to arrive at mutually agreed solution, they may detach from the problem believing that conflict avoidance

is more mature and reasonable rather than involving into wasteful actions and arguments.

Thus, it shows that comprehensive changes can be brought in the management through resolution of conflicts and managing conflicts in the Organisations.

16.8 LET US SUM UP

Conflicts are good for organizations, when they generate competition, but for the benefit of the organisation the conflicts should be managed.

16.9 GLOSSARY

- Role Ambiguity : unclear employee's job duties
- Inter Personal Conflict : dispute between two or more people
- Intra Personal Conflict : conflict within an individual involving emotions values and ideas

16.10 SELFASSESSMENT QUESTIONS

1. Define conflict.

2. Explain Interpersonal conflict and Intergroup conflicts

16.11 LESSON END EXERCISE

1. What are conflict resolution actions?

2. What are the basic features of organisation conflict ?

3. Can Conflicts be managed. How?

4. What do you mean by Individual level conflicts ?

Answers to check your progress

A (i) a

(ii) c

16.12 SUGGESTED READINGS

1. P. Subba Rao, Organisational behaviour, Himalaya Publishing House, Indore, M.P., 12th March 2017
2. Stephen P. Robbins, Timothy A. Judge, Neharika Vohra, Organisational behaviour, Pearson, India Education Services Pvt. Ltd., 2018.
3. K. Aswathappa, G. Sudarsana Reddy, Management and Organisational Behaviour, Himalaya Publishing House, 2020.
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M.Com 1st Sem
Unit IV

Course No M.Com-C 152
Lesson No. 17

ORGANISATIONAL CULTURE

STRUCTURE

- 17.0 Learning Objectives and Learning Outcomes
- 17.1 Introduction
- 17.2 Concept of Organisational Culture
- 17.3 Determinants of Organisational Culture / Cultural Dimensions
- 17.4 Developing and Sustaining Organisational Culture
- 17.5 Purpose / Objective of Organisation Culture
- 17.6 Let us sum up
- 17.7 Glossary
- 17.8 SelfAssessment Questions
- 17.9 Lesson End Exercise
- 17.10 Suggested Readings

17.0 LEARNING OBJECTIVES

- (i) To impart knowledge to the learners about the concept of organisational culture.
- (ii) To provide insight about the determinants of the culture.
- (iii) To acquaint learners about effects of culture.

LEARNING OUTCOMES

After going through this lesson, you will be able :

- (i) to define Organisational culture & explain its concept
- (ii) to list out the determinants of culture
- (iii) to explain the effects of culture

17.1 INTRODUCTION

By culture, we mean that complex whole which includes knowledge, belief, art, morals, law, custom, and other capabilities and habits acquired by man in a society. Two terms are key to the concept culture: history and shared phenomenon. With regard to the first, it may be stated that cultural mores of a society are passed on from generation-to-generation. The second key term which is basic to culture implies that the cultural ethos are shared among the members of a society.

17.2 CONCEPT OF ORGANISATIONAL CULTURE

Having known the meaning of culture, we may attempt to define organisational culture. Organisational culture (or its sister term corporate culture) has been defined as the philosophies, ideologies, values, assumptions, beliefs, expectations, attitudes and norms that knit an organisation together and are shared by its employees.

The following 10 features constitute cultural web of an organisation. The web help us understand and describe the culture of an organisation.

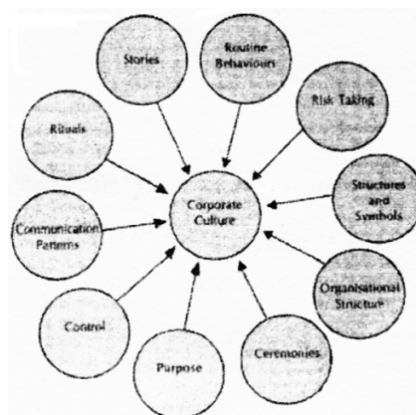


Figure 17.1

1. **Control:** The number of rules and regulations, and the amount of direct supervision that is used to oversee and control employee behaviour.
2. **Communication Patterns:** The degree to which organisational communication systems are restricted to the formal hierarchy of authority.
3. **Rituals:** Rituals being observed and practised in the organisation. The typical rituals may include dress code of employees, how visitors are greeted, how festivals are celebrated, how often senior executives visit subordinates, how much time employees take for lunch and the like.
4. **Stories:** Stories about past incidents told and retold speak about the corporate culture. Stories generally include heroic deeds of the founders, large hearts of the present CEOs, handling a deviant employee and the like.
5. **Structures and Symbols:** The size, shape, location, vastu, and age of the building speak louder of a firm's culture, Symbols such as logos, offices, cars, titles and jargons used reveal the culture of the organisation.
6. **Organisational structure:** This defines number of hierarchies, who is reporting to whom, and who sits next to whom.
7. **Ceremonies:** These are more formal than rituals. Elaborate sets of activities enacted time and again on important occasions constitute ceremonies. These occasions provide opportunities to reward and recognise employees, whose behaviour is sync with the values of the company.
8. **Purpose:** Culture has a purpose in terms of achieving common objectives. Success will reinforce the culture and make it stable.
9. **Risk taking:** The degree to which employees encourage to be aggressive, innovative and take risks reflect on the culture.
10. **Routine behaviours:** These refer to the behaviours of employees towards each other and towards outside of the organisation are significant indicators of the corporate culture.

Organisational members tend to internalise cultural practices and like to indoctrinate newcomers into such mores. Some of these practices are so thoroughly internalised that no one questions them — they are taken for granted that is, they get institutionalised.

Besides Institutionalisation, deification or glorification is another process that tends to occur in strongly developed organisational cultures. Heroes emerge, especially among the founding fathers of the organisation, whose sacrifices, valorous deeds, and ingenuity in the difficult initial years of the organisation or during later crises periods are embellished into stories and sagas. The organisation itself ‘may come to be regarded as precious in itself, as a source of pride, and in some sense unique. Organisational members begin to feel a strong bond with it that transcends material returns given by the organisation, and they begin to identify with it. The organisation turns into a sort of clan.

Climate is used in tandem with culture. Climate is commonly used while talking about weather of a region. In the context of OB, climate is used to relate to the prevailing atmosphere surrounding an organisation — morale, bonding, goodwill and care employees have towards peers, reports and supervisors. “How things are done around here” is the statement best describes climate. Culture and climate shall wield considerable impact on what employees bring to the workplace.

17.3 DETERMINANTS OF ORGANISATIONAL CULTURE / CULTURAL DIMENSIONS

Over the years, a number of cultural dimensions have been identified. The more interesting of these are as follows:

1. **Levels of Culture:** Three levels of culture may be distinguished. These include national culture, business culture, and occupational and organisational cultures, (See Fig. 17.2). All these levels influence the effectiveness of management.

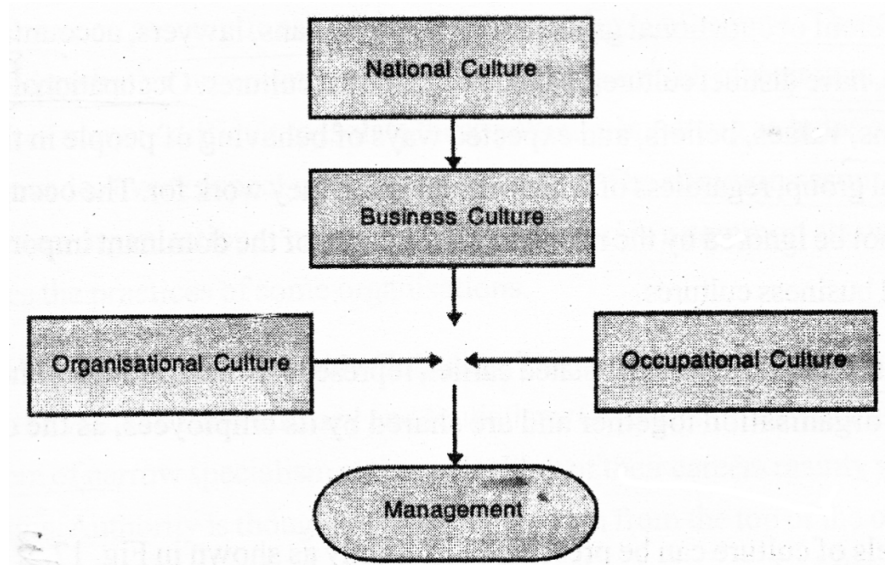


Fig. 17.2 Levels of Organisation Culture

National culture is the dominant culture within the political boundaries of the nation-state. The dominant national culture usually represents culture of the people with the greatest population or the greatest political or economic power. Formal education is usually taught, and business is usually conducted in the language of the dominant culture. National culture has considerable significance for international managers who need to manage cultural diversities.

Business culture represents norms, values, and beliefs that pertain to all aspects of doing business in a culture. Business culture tells people the correct, acceptable ways to conduct business in a society.

National culture impacts business culture considerably. In any society, business closely interweaves with the broader culture's values, norms and beliefs. Examples include the priorities given to age and security, the role expectations for women within a family, and expectations concerning how those managing should behave towards subordinates.

Business culture influences all aspects of work and organisational life. This includes how managers select and promote employees, lead and motivate their subordinates, structure their organisations, select and formulate their strategies, and negotiate with other business people.

Different occupational groups, such as physicians, lawyers, accountants and craftspeople, have distinct cultures, called occupational cultures. **Occupational cultures** are the norms, values, beliefs, and expected ways of behaving of people in the same occupational group, regardless of which organisation they work for. The occupational culture cannot be ignored by the manager just because of the dominant importance of national and business cultures.

Organisational culture, as stated earlier, represents beliefs, attitudes and norms that knit an organisation together and are shared by its employees, as the opening case reveals.

Levels of culture can be presented differently as shown in Fig. 17.3.

At the surface is the observable culture. Observable culture is manifested through symbols such as physical design, dress codes, logos, gadgets, and murals. It also includes the unique stories, ceremonies, and corporate rituals that make up the history of the success of the organisation.

The second level includes shared values. An example of this is “quality is the cornerstone for our success”. Shared values are applicable to all organisational members and no deviation is tolerated, differences notwithstanding. It is advisable that organisations have shared values which ensure compliance.

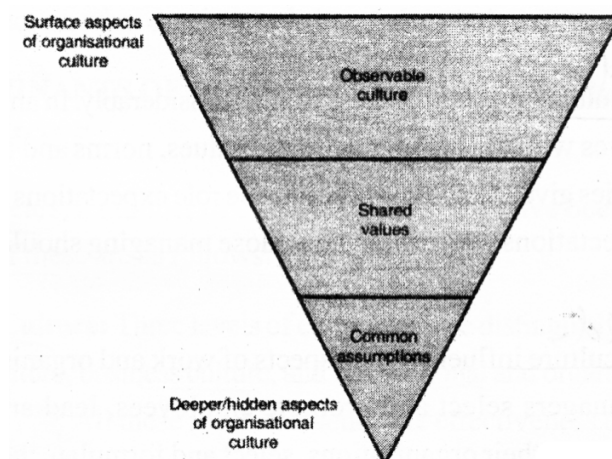


Figure 17.3

Common assumptions stand at the deepest level of culture. These are taken-for-granted truths that organisational members share as a result of their joint experience. It is often extremely difficult to isolate these patterns, but doing so helps explain why culture invades every aspect of organisational life. The common assumptions may surface in an organisational crisis. 'We are different' is a common assumption that permeates the practices of some organisations.

Mechanistic and Organic Cultures: The mechanistic organisational culture exhibits the values of bureaucracy and feudalism. Organisational work is conceived as a system of narrow specialism and people think of their careers mainly within these specialisms. Authority is thought of as flowing down from the top of the organisation down to the lower levels and communication flows through prescribed channels. There is a great deal of departmental loyalty and inter-departmental animosity, a strong "we versus "they" perception. This sort of culture resists change and innovation.

On Contrast the organic culture, formal hierarchies of authority, departmental boundaries, formal rules and regulations, and prescribed channels of communications are frowned upon. There is great deal of emphasis on task accomplishment, teamwork, and free flow of communication — formal and informal. In problem situations, the persons with expertise may wield far more influence than the formal boss. There is a widespread understanding within the staff, of the problems, threats, and opportunities the organisation is facing and there is willingness and preparedness to take appropriate roles to solve the problems. The culture stresses flexibility, consultation, change and innovation.

Authoritarian and Participative Cultures: In the authoritarian culture, power is concentrated in the leader and obedience to orders and discipline are stressed. Any disobedience is punished severely to set an example to others. The basic assumption is that the leader knows what is good for the organisation and he or she always acts in its interests.

The participative culture is premised on the notion that people are more committed to the decisions that are participatively made than to those which are imposed on them. Further, group problem-solving leads to better decisions because several new points and Information are shared during discussions, Participative cultures tend to emerge where most organisational members are professionals or see themselves as equals.

Dominant and Sub-cultures: Many big companies have a dominant culture and several cells of sub-cultures, which are attached to different roles, functions, and levels. If the sub-cultures are accepted, a natural conclusion is that very few beliefs, attitudes, or values are shared by all organisational members. A dominant culture, normally referred to as the organisational culture, reflects core values that are shared by the majority of the employees. In effect, this is the distinctive personality of the organisation.

By contrast, sub-cultures are found in departments, divisions, and geographical areas, and reflect the common problems or experiences of employees who reside in these areas. A sub-culture could consist of the core values of the dominant culture as well as the values unique to the department or area to which it relates. There could be differences and clashes between sub-culture and another and between sub-cultures and the dominant culture as shown in Exhibit 17.1.

EXHIBIT 17.1: CULTURAL CLASHES

Here are two cases of clashes between corporate culture and sub-unit culture. The marketing department of SmithKline Beechem in India has, for many years, hired only the toppers from the best business schools in the country. Consequently, they have a very competent and result-oriented team capable of ideation, conceptualisation, and planning of superb market-entry packages. Unfortunately, the R&D and production departments, more rigorously controlled by the head office, had not developed the same values in their hiring processes. Obviously, the knowledge gap between these two departments had become so unbridgeable that SmithKline Beechem in India ended up with a greater number of new product

failures than the market average.

It was the late 1950s and HP was putting up its operation in India and at Bangalore, The building was ready and at the main entrance was a cubicle with some railings installed inside. The chief of the Asia-Pacific region, who was incidentally the person in charge of the Indian operations, was curious to know why the cubicle and railings were put up at the entrance of the plant, When confronted, he was politely told that the cubicle was meant for security staff and railings were meant for frisking employees when they were leaving the plant after completing their shifts. Frisking was to be carried out in order to detect any smuggling of valuable components, he was told. The chief, a Singaporean by nationality, was aghast at the answers, For him, frisking of employees was something new, never practised in HP operations anywhere in the world, Everywhere, HP stood by its credo — “Respect and Trust People”, Here, you are expected to respect and trust people and at the same time frisk employees, suspecting them to be thieves. He felt particularly saddened when he was told that frisking was to be done only for one section of employees.

Now, the time came to letter the wall in the main hall with HP credo — ‘Respect and Rust People’, The chief put his feet down, “You will not letter the wall with the credo unless you pull Out the railings, You will not frisk anyone over here, shouted the chief, Finally, he had his say and way. The railings were dismantled and the credo appeared on the wall.

Strong, Weak, and Unhealthy Cultures: Distinction is also made between strong and weak cultures, in a strong culture, the core values of the organisation are widely shared and eagerly embraced by a large number of employees who are deeply committed to them.

A strong culture will have a significant influence on employee behaviour manifesting in reduced turnover, lower absenteeism, increased cohesiveness, and positive attitudes. This is so because there is a high agreement among members about what the organisation stands for. The result is the creation of an internal atmosphere of

high behavioural control, Behavioural control brought in by strong culture is much more powerful than the one that results from formal rules and regulations. In addition, organisations sharing strong culture tend to perform better than those without such a culture. In recent years, as organisations have created flatter structures, introduced team systems of working, reduced bureaucratic control, and empowered employees, some would argue that the shared meaning generated by a strong culture ensures that everyone is moving in the same direction.

Additionally, strong cultures have the following characteristics:

- A clean philosophy exists about how business is to be conducted.
- Considerable time is spent communicating values and beliefs.
- Explicit statements are made that describe the organisation's values.
- A set of values and norms exist that are shared widely and rooted deeply.
- New employees are screened carefully to ensure that they fit with the culture.

Strong culture has dysfunctional consequences. It tends to lead to groupthink, collective blind spots, and resistances to change and innovation. It tends to discourage diversity as strong culture would not accommodate the diverse behaviours and strengths that people of different backgrounds can bring to the organization.

Weak Cultures: A weak culture is characterised by the presence of several sub-cultures, sharing of few values and behavioural norms by employees, and existence of few sacred traditions. In weak-cultured organisations, there is little cohesion across the organisation top executives do not repeatedly expose any business philosophy or exhibit commitment to particular values or extoll the use of particular operating practices. Because of the lack of shared values, organisational members have no deeply felt sense of identity. The lack of corporate identity tends to result in few employees viewing the company as a place to work and their work as a way to make a living.

Unhealthy Cultures: There are organisations which have unhealthy cultures.

One unhealthy trait is a politicised internal environment that allows influential managers to operate autonomous 'fiefdoms' and resist needed change. In politically dominated cultures, many issues get resolved on the basis of turf, vocal support or opposition by powerful executives, personal lobbying by a key executive, and coalitions among individuals or departments with vested interests in a particular outcome. What is best for the organisation plays second fiddle to personal aggrandisement? Another feature of unhealthy cultures is that of managers who are good at staying within their budgets, exerting close supervisory control over their units, and handling administrative detail as opposed to managers who understand vision, strategies, and culture-building and who are good leaders, motivators, and decision makers. While the former are adept at internal organisational manoeuvring, they may lack the entrepreneurial skills an organisation needs among its senior executives to introduce new ideas, reallocate resources, build new competitive abilities, and fashion new culture. Finally, unhealthy culture is also characterised by an aversion to looking outside the box for superior practices and approaches. Sometimes, an organisation enjoys undisputed leadership in the Industry and its managers become inbred and arrogant.

It believes it has all the answers or can develop them on its own, insular thinking and inward-looking solutions often precede a decline in performance. Several well-known organisations such as Bank of America, Citicorp, Ford, and Xerox had unhealthy cultures during the late 1970s and early 1980s, Kmart and Sears, and L&T in India are said to exhibit unhealthy cultural traits now.

Our discussion from now onwards centres around organisational culture.

A CHECK YOUR PROGRESS :

(✓) the correct option :

- (i) Ambiguous culture will lead :
 - (a) to change the manager's attitudes from positive to negative
 - (b) to change the manager's attitudes from negative to positive
 - (c) to improve employees innovation
 - (d) to improve employees motivation
- (ii) organizational culture can affect employees :
 - (a) positively
 - (b) negatively
 - (c) positively or negatively both depending on the type of culture
 - (d) none of these
- (iii) worker's acceptance of change is characteristic of what type of culture?
 - (a) Team culture
 - (b) Collaborative culture
 - (c) Group culture (d) Collective culture

17.4 DEVELOPING AND SUSTAINING ORGANISATIONAL CULTURE

Having created culture, it needs to be kept alive in the organisation. There are strategies which organisations employ to sustain their cultures. Such approaches include selecting and socialising employees, actions of founders and leaders, culturally

consistent rewards, managing the cultural network and maintaining stable workforce. (See Fig. 17.4).

Selecting and Socialising Employees: The main purpose of hiring process is to hire tight people for right jobs. When, for a given job, two or more candidates, with identical skills and abilities are available, final selection is influenced by how well a candidate fits into the organisation. By identifying candidates who can jell with the organisational culture, selection helps sustain culture considerably.

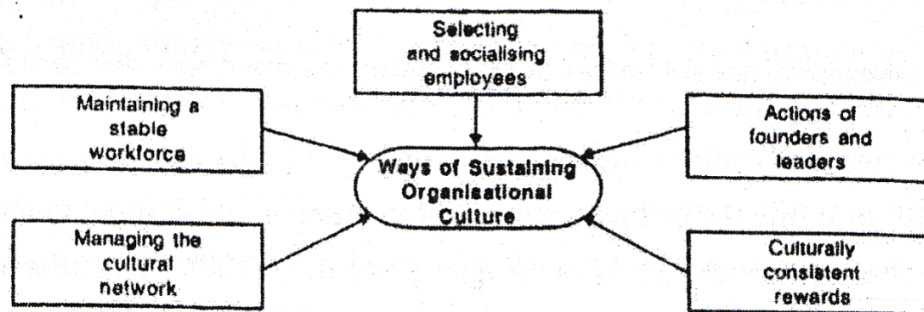


Figure 17.4

Job applicants too look at an organisation from its culture perspective before seeking entry. In fact, more than pay and perquisites an organisation offers, its cultural artifacts which often attract or detract job seekers.

Along with selecting people with compatible values, companies maintain strong culture through the effective socialisation of new employees. Organisational socialisation refers to the process by which individuals learn the values, expected behaviours, and social knowledge necessary to assume their roles in the organisation.

Socialisation can be conceptualised as a process made up of three stages: **pre-arrival, encounter and metamorphosis**. The first stage encompasses all the learning that occurs before a new member joins the organisation. In the second stage, the new employee sees what the organisation is really like and confronts the likelihood that expectation and reality diverge. In the third stage, the relatively long-lasting changes take place. The new employee masters the skills required for his or her new roles, and makes the adjustment to his or her work group's values and norms.

Actions of Leaders and Founders: We have already stated the role of leaders in creating organisational culture. We emphasise that the founders and leaders play a significant role in sustaining organisational culture. Founders are visionaries whose energetic style provides a powerful role model for others to follow. The founder's cultural imprint often remains with the organisation for decades. For example, the culture at Microsoft calls for working exceptionally long hours, because that is what the co-founder Bill Gates has always done.

In spite of the founder's effect, subsequent leaders can break the organisation away from the founder's values if they apply the transformational leadership concept described in Chapter 18. Transformation leaders strengthen organisational culture by communicating and enacting their vision of the future. Cultural values are pertinently reinforced when leaders behave in ways that are consistent with the vision.

Culturally Consistent Rewards: Reward systems strengthen corporate culture when they are consistent with cultural values. Aggressive cultures might offer more performance-based individual incentives, whereas paternalistic cultures would more likely offer employee assistance programmes, medical insurance, and other benefits that support employee well-being.

Managing the Cultural Network: Organisation's culture is learned, so an effective network of cultural transmission is necessary to strengthen the firm in underlying values and beliefs. The cultural network exists through the organisational grapevine. It is also supported through frequent opportunities for Interaction so that employees can share stories and re-enact rituals. Senior executives must tap into the cultural network, sharing their own stories and creating new ceremonies and other opportunities to demonstrate shared meaning. Company magazines and other media can also strengthen organisational culture by communicating cultural values and beliefs more effectively.

Maintaining a Stable Workforce: An organisation's culture is embedded in the minds of its employees. The director of a B-School in Bangalore was aghast when a retired employee appeared one morning at his (Director's) office and told him that he came to the school because he dreamt about it the previous night. Organisational

stories are rarely written down; rituals and celebrations do not usually exist in manuals; organisational metaphors are not found in corporate directories. Thus, organisations depend on a stable workforce to communicate and reinforce the dominant beliefs and values. The organisation's culture can literally disintegrate during periods of high turnover and downsizing because the corporate memory leaves with these employees. Organisational culture also weakens during periods of rapid expansion or mergers because it takes time for incoming employees to learn about and accept the dominant corporate values and beliefs. For this reason, some organisations keep their culture intact by moderating employee growth and checking turnover problems.

17.5 PURPOSE / OBJECTIVES OF CULTURE

On the positive side, culture in an organisation serves the following purposes:

- Effective control
- Promotion of innovation
- Strategy formulation and implementation
- Strong commitment from employees
- Performance and satisfaction.

Effective Control: Culture serves as a control mechanism that shapes behaviours of employees. As strong culture seeps through the organisation, people register do's (e.g., perform effectively and keep a firm grip on quality) and don'ts (e.g., engage in poor teamwork or be disrespected to employees). When employees do not act in accordance with the beliefs and values of the culture, managers and colleagues are likely to intervene and initiate corrective actions.

Promotion of Innovation: Innovation and creativity are emerging issues in the domain of organisational culture. Both creativity and innovation will be explained in detail in the latter part of this chapter. Suffice it to state now that organisational culture contributes to creativity and innovation by the development of norms that support such a process.

Strategy Formulation and Implementation: Organisational culture has considerable influence on strategy formulation and implementation, particularly on the latter. Culture provides inputs to the company to adopt a particular strategy. Motorola's culture, for example, is built around high investment in R&D, quality, and customer care. This culture has bolstered the strategy of the company, providing the impetus for the development of new products — e.g., light weight cellular telephones and wristwatch pagers — which were hailed as major technological breakthroughs.

Culture energises people in the company to do their jobs in a strategy-supportive manner and help execute strategies. A culture, where frugality and thrift are values strongly shared by organisational members, is conducive to successful execution of a low-cost leadership strategy. Similarly, a culture where creativity, embracing change, and challenging the status quo are pervasive themes, is very conducive to successful implementation of a product innovation and technological leadership strategy. A culture built around such principles as listening to customers, encouraging employees to take pride in their work, and giving employees a high degree of decision making responsibility, is very conducive to successful execution of a strategy of delivering superior customer service.

What happens when there is a conflict between culture and strategy? Conflict between culture and strategy sends mixed signals to organisational members and forces a choice which is not desirable. Should employees be loyal to the culture and resist actions to pursue the strategy? Or should they go along with the strategy and engage in behaviours that will erode certain valued aspects of the culture? Such conflict weakens commitment of both. To avoid such a possibility, it is advisable to change the culture to fit the strategy. IBM did this when its bureaucratic and mainframe culture clashed with the shift to a PC-dominated world and the emergence of the Internet economy.

Strong Commitment from Employees: Culture provides a sense of identity to members and increases their commitment to the organisation as told in the opening case. When employees internalise the values of the company, they find their work intrinsically rewarding and identify with their fellow workers. Motivation is enhanced, and morale boosts.

Commitment is said to go through three phases — **compliance, identification,** and internalisation. With regard to compliance, people conform in order to obtain same material benefit. When they reach the identification stage, the demands of culture are accepted in order to maintain good relationships with colleagues. In the final phase — internalisation — people find that the adoption of the cultural values of the organisation produces Intrinsic satisfaction because these values are in line with their personal values, In many ways, this is an ideal state as far as the acceptance of organisational values are concerned, and, if widespread, is indicative of a strong culture.

Performance and Satisfaction: Culture has significant impact on performance. Comparative studies of Japanese and American management methods suggest that the relative success of Japanese companies in the 1980s could be partly explained by their strong organisational cultures emphasising employee participation, open communication, security, and equality.

Culture has a performance-enhancement quality for at least four reasons. First, as stated above, strategy implementation is made easy through 'culture'. Second, strong culture is characterised by goal alignment; that is all employees share common goal. Third, strong culture creates a high level of motivation because of the values shared by the members. Finally, strong culture provides control mechanism without the oppressive effect of bureaucracy.

That culture contributes to performances needs a rider. Under stable conditions, culture can contribute to enhanced organisational performance. However, if the environment is changing, culture can become a liability.

17.6 LET US SUM UP

There is correlation between organisational culture and employee satisfaction. But individual needs of employees may moderate the relationship between culture and satisfaction. In general, satisfaction will be the highest when there is a congruence between individual needs and culture. For instance, an organisation whose culture would be characterised as low in structure, having loose supervision, and rewarding

employees for higher achievement is more likely to have more satisfied employees if those employees have a high achievement need and prefer autonomy. Thus, job satisfaction often varies according to the employees' perception of the culture.

17.7 GLOSSARY

- Organisation- group of people working together to attain common goals.
- Culture- Culture provides inputs to the company to adopt a particular strategy.

17.8 SELFASSESSMENT QUESTIONS

- 1. How would you define organisational culture?**

- 2. Explain the effects of organisational culture on an organizational .**

17.9 LESSON END EXERCISE

- 1. How can we develop and sustain organisational culture?**

- 2. Justify the relationship between organisational culture and organisational performance.**

Answers to check your progress :

A (i) a

(ii) c

(iii) b

17.10 SUGGESTED READINGS

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2. Stephen P. Robbins, Timothy A. Judge, Neharika Vohra, Organisational behaviour, Pearson, India Education Services Pvt. Ltd., 2018.
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M.Com 1st Sem

Course No M.Com-C152

Unit IV

Lesson No. 18

ORGANISATIONAL CHANGE

STRUCTURE

- 18.0 Learning Objectives & Learning Outcomes
- 18.1 Introduction
- 18.2 Concept of Organisational Climate
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18.0 LEARNING OBJECTIVES

- (i) To acquaint learners about the concept of organisational climate change and development
- (ii) To provide information to learners about reason of change.
- (iii) To impart knowledge about the types of organisational change.

LEARNING OUTCOMES

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

- (i) explain the concept of organisational change and development.
- (ii) state the reasons of change in organisations.
- (iii) list out the types of Organisational Change.

18.1 INTRODUCTION

Change is necessary aspect of human life. The effectiveness of management lies in the fact to cope with the change. The term 'organizational change' implies the creation of imbalances in the existing pattern or situation.

Reasons for organisational change: Organizational change refers to the actions in which a company or business alters a major component of its organization, such as company culture, the underlying technologies or infrastructure it uses to operate, or its internal processes. Organizational change management is the process of guiding organizational change to successful resolution, and it typically includes three major phases : preparation, implementation, and follow-through.

Change is required because of two pressures: External Forces b) Internal Forces

Virtually every organization will, at some point, undergo a transition or change to remain viable and scale. Whether onboarding new employees, growing a department, or merging with another company, these changes challenge the status quo and significantly influence business outcomes and shape long-term success.

Integration of both forces is required to achieve the organisation objectives.

External Forces : These include

- a) Government
- b) Customers
- c) Suppliers
- d) Creditors
- e) Shareholders
- f) Society as a whole

Changes in social, political, economic, technological and legal environment force the organisation to incorporate changes. Such changes may be in

- a) Production processes
- b) Product to be produced
- c) Labour management relations
- d) Organisation structure and processes etc.

FORCE OF CHANGE

FORCE	EXAMPLES
Nature of the mark force	<ul style="list-style-type: none">• More cultural diversity• Aging population• Many new entrants with inadequate skills.
Technology	<ul style="list-style-type: none">• Faster, Cheaper & Mobile Computers• Online music sharing
Economic Shocks	<ul style="list-style-type: none">• Rise & Fall of dot.com stocks• Record low interest rates
Competition	<ul style="list-style-type: none">• Global competitors• Growth of e-commerce
Social Trends	<ul style="list-style-type: none">• Internet chat rooms• Retirement of Baby Boomers
World Politics	<ul style="list-style-type: none">• Iraq-U.S. War• Opening of Market in China

Table 18.1

Internal Force: Change is required because of internal forces

1. Deficiency in the present Organisation:

- a. Structure
- b. Processes
- c. Systems
- d. Changes are necessary in cases of deficiency in any of the above.

2. Change in Managerial Personnel: This occurs due to retirement, removal, transfer or even promotion. Change take place in ideas, beliefs, thinking and values, there are changes in informal relationships. Organisation has to adapt to all these changes.

3. **Avoidance of Inertia Development:** When people work in a rigid environment, they become resistant to change. When the Organisation has to bring some changes, there are problems, therefore, many Organisation take up the work of personnel development on regular basis.

18.2 CONCEPT OF ORGANISATIONAL CLIMATE

The organisational Climate Survey (OCS) is based on the empirical studies of litwin & Stringer and their systems model developed at Harvard University in 1968. This tool has been enhanced and validated through extensive studies by the Hay Group over the past 35 years. The survey consists of two parts in which the individual indicates the climate as it now exists, and then again as it should be. The actual climate has been shown to reliably differentiate high and low performing organisations from one another. The climate gap is used as a diagnostic index to identify problem areas within an Organisation that can then be explored and addressed for corrective action by the work unit leaders. The survey is administered online to both leaders and their direct reports. The OCS provides leaders with a valuable window into the functioning of a team, work unit, or even the entire organisation. In addition, the diagnostic information provided by the OCS is readily usable to develop more effective approaches to address motivational and organisational problems.

The concept of organisational climate has been assessed by various authors of which many of them published their own definition of Organisational climate. Organisational climate, however, proves to be hard to define. There are two especially

intractable and related difficulties: how to define climate and how to measure it effectively on different levels of analysis.

Further there are several approaches to the concept of climate, of which two in particular have received substantial patronage: the cognitive schema approach and the shared perception approach. The first approach regards the concept of climate as and individual perception and cognitive representation of the work environment. From this perspective climate assessments should be conducted at an individual's level. The second approach emphasizes the importance of shared perceptions as underpinning the notion of climate (Anderson, & West, 1998; Mathisen & Einarsen 2004). Reichers and Scheider (1990) define organizational climate as the shared perception of the way things are around here. It is important to realize that from these two approaches, there is no "best" approach and they actually have a great deal of overlap.

18.3 DEVELOPING A SOUND ORGANISATIONAL CLIMATE

A sound Organisational climate is a long-term proposition. The climate of each organisation is set through an organisational behaviour system. However, what should be an organisational behaviour model for a given organisation is not a universal phenomenon. Organisational behaviour philosophy derives from both fact and value premises. Fact premises represent how human beings behave, while value premises represent the view of the desirability of certain goals. Thus, organisational climate should represent the philosophy and goals of those who join together to create the organisation.

The organisational climate is contingent on the assumptions of the nature of people in general. In dealing with people, the total man concept should be taken which is essentially a combination of three different concepts about the nature of human beings, economic, social, and self-fulfilling. Such a classification is different from an earlier classification of man in the context of decision-making process. The basis of classification of man into three categories derives from the fact that each class of men has different set of thinking, motivation, and hence requires different Organisational climate. The economic man is basically motivated by money and long range economic security, and hence the reliance on economic factors to attract, keep, and motivate them. For social man; positive social relations and interactions are a

must; within his work environment, man seeks an affinity with fellow employees. The creation of a climate where happy family atmosphere prevails is appropriate for him. The self-fulfilling man seeks achievement, accomplishment, and meaning in what he does. The organisational climate with premium on certain degree of freedom is appropriate for him. Thus, each type of man requires a particular climate. In order to build up a sound organisational climate, managers must understand their people in the organisation. The importance must be given to what motivates job performance in general and building an overall climate conducive to motivation, a keen insight into the individual in particular, and tailoring a personal approach to leadership and job design to which the man will respond with commitment. The individual differences suggest that there cannot be any all-purpose organisational climate. Though there are variations in practices. The following prescriptions can be taken as features of a sound organisational climate:

1. Absence of political environment for organisational positions and other personal gains.
2. Linking rewards with performance rather than linking with other considerations, such as blood relationship, friendship, and social background.
3. High standards of excellence in every area of operation and evaluation.
4. Encouragement for participation and group decision and its Implementation.
5. Encouragement for innovation and freedom to act upon ideas.
6. High value assigned to interpersonal amity and tolerance of individual differences.
7. High standards of moral integrity in dealing with both internal and external matters.

These prescriptions can be achieved on a long-term basis and more by practice and not by prescriptions alone.

18.4 FACTORS IN ORGANISATIONAL CLIMATE

Researchers in organisational climate have used data relating to individual

perception of organisational properties in identifying organisational climate. Even in this context there is a great amount of diversity. For example Litwin and Stinger have included six factors which affect organisational climate. These are (i) organisation structure perception of the extent of organisational constraints, rules, regulations, red-tape; (ii) individual responsibility feelings of autonomy of being one's own boss rewards feelings related to being (iii) confident of adequate and appropriate rewards; (iv) risk and risk-taking perceptions of the degree of challenge and risk in the work situation; (v) warmth and support feelings of general good fellowship and helpfulness prevailing in the work setting; and (vi) tolerance and conflict degree of confidence that the climate can tolerate differing opinions.

18.5 ORGANISATIONAL CLIMATE AND ORGANISATIONAL EFFECTIVENESS

There is a close relationship between Organisational climate and Organisational effectiveness as Organisational climate serves as the guidelines for dealing with people and has a major influence on motivation and productivity of individuals as well as total work group. Climate in natural sense is referred to as the average course or condition of the weather at a place over a period of year as exhibited by temperature, wind velocity, and precipitation. However, it is quite difficult to define Organisational climate incorporating the characteristics of natural climate. This is so because the most frustrating feature of an attempt to deal with situational variables in a model of management performance is the enormous complexity of the environment itself. It makes the definition and measurement of situational variables very difficult. One way to conceptualize the Organisational climate is to consider its potential properties. Thus, Organisational climate is a set of properties of the work environment, perceived directly or indirectly by employees, that is assumed to be a major force in influencing employee behaviour.

When Organisational climate is defined in this way, many kinds of Organisational factors are relevant contributors to it. The crucial elements are the individual's perceptions of the relevant stimuli constraints and reinforcement contingencies that govern human behaviour. Thus, the perception of people regarding the functioning of these factors is Important. From this point of view the discussion of relevant factors is important. However before going through these factors let us compare organisational

culture and Organisational climate

Impact of Organisational Climate on Organisational Effectiveness

Organisational climate has a major influence on Organisational effectiveness through its impact on individual motivation and job satisfaction. It does this by creating certain kinds of expectancies about what consequences will follow from different actions. Individuals in the org have certain expectations and fulfillment of these expectations depends upon their perception as to how the organisational climate suits to the satisfaction of their needs. Thus organisational climate provides a type of work environment in which individual feels satisfied or dissatisfied. Since satisfaction of individual goes a long way in determining his efficiency, organisational climate can be said to be directly related with his performance in the Organisation. There are four mechanisms by which organisational climate affects performance, satisfaction, and attitudes of people in the organisation.

- 1) Organisational variables can operate as constraint systems in both a positive and negative sense by providing knowledge of what kinds of behaviour are rewarded, punished or ignored. The Organisation can influence behaviour by attaching direct rewards and punishments to varying behaviours. This assignment of different values to behavioural outcomes would then influence the behaviour of those people most interested in those specific values.
- 2) Organisational variables may affect behaviour through evaluation of the self and others, and such evaluation will, in turn, influence behaviour. There are both physiological and psychological variables associated with this evaluation process.
- 3) Organisational factors work as stimuli. As stimuli, they influence an individual's arousal level, which is a motivational variable directing behaviour. The level of arousal will directly affect the level of activation and hence performance.
- 4) Organisational variables influence behaviour in that they influence the individual to form a perception of the Organisation. This perception then influences behaviour.

18.6 ORGANISATIONAL CULTURE VERSUS ORGANISATIONAL CLIMATE

Before we proceed to discuss various aspects of Organisational culture, it is desirable to understand the difference between Organisational culture and Organisational climate as both these concepts are used interchangeably, if not in literature, at least in practice. Organisational climate is a set of attributes specific to an Organisation that may be induced from the way the organisation deals with its members. Thus, climate usually refers to current situations in an Organisation and the linkages among individuals work groups and work performance. Factors that are included in climate are individual autonomy degree of structure imposed upon the people reward orientation and warmth and support Thus both culture and climate have similarity in the sense that both deal with social context in Organisations and both aim at affecting behaviour of organisational members Beyond this similarity culture and climate differ in several significant ways which are as follows:

1. The study of culture is based on anthropology and sociology whereas study of climate is based on psychology. Thus, the contents of culture are anthropological and sociological while those of climate are psychological.
2. Culture and climate differ in terms of emphasis. Culture is a means through which members learn and communicate what is acceptable or unacceptable in an Organisation in the light of its values and norms. Climate does not deal with values and norms; it is concerned with the current atmosphere in the organisation.
3. Culture develops through evolution process and therefore it is more lasting. Climate develops through managerial prescriptions. Thus, culture is more difficult to change in short period of time whereas climate is subject to manipulation by managerial actions even in short-term.

18.7 CONCEPT OF ORGANISATIONAL CHANGE

Change in some way is the necessary aspect of human life. One of the few things of real permanence in this world is change. We see all sorts of changes like

change in nature, seasonal changes, change in man-made Organisations, change in biological beings, and so on. Whole society is changing in some form or the other, either for better or for worse, though objective of change is for better Therefore in dynamic society surrounding today's organisations the question before the managers is not whether change's take place or not. Therefore, it is relevant for the managers to find the answer to this question and incorporate it in their organisation.

Nature of Organisational Change

The term change refers to an alteration in a system whether physical, biological, or social. Thus, organisational change is the alteration of work environment in organisation. It implies a new equilibrium between different components of organisation technology, structural arrangement, job design, and people. Thus, organisational change may have the following features:

1) When change occurs in any part of the organisation, it disturbs the old equilibrium necessitating the development of a new equilibrium. The type of new equilibrium depends on the degree of change and its impact on the organisation.

2) Any change may affect the whole organisation; some parts of the organization may be affected more, others less; some parts are affected directly, others indirectly.

3 Organisational change is a continuous process; However, some changes which are of minor type, may be absorbed by the existing equilibrium; others, which are major ones may require special change efforts.

To understand the impact of a change in any part of the organisation on the total organisation, we can compare an organisation with an air filled balloon. When a balloon (which represents external force) is forced against a point on the balloon (which represents the organisation), the contour of the balloon visibly changes; it becomes indented at the point of contact. However, if we look minutely, we find that the shape of the entire balloon has changed; it has stretched slightly. Thus, it can be concluded that the whole Organisation tends to be affected by change in any part of it.

A. Check your progress

Tick the correct option

- (i) The organizational change is the alteration of.....in the organization.
(a) Job design
(b) Work Environment
(c) Structural changes (d) technology
- (ii) According to Kurt Lawin, which of the following is not a stage in the change process
(a) Unfreezing (b) changing
(b) (c) Refreezing (d) Restraining
- (iii) A company that decides to decentralize its sale procedures is managing which change category ?
(a) Technology (b) people
(c)competitions (d) structure

18.8 NEED FOR ORGANISATIONAL CHANGE

The Planned Change is needed to meet the objectives of the organisation. There are changes in internal and external forces and the organisation has to make suitable changes to meet its objective.

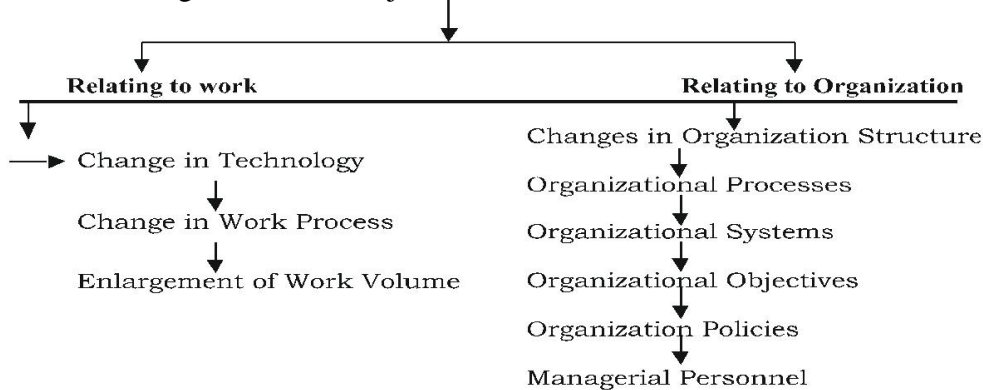


Figure 18.1

18.9 OBJECTIVES OF PLANNED CHANGE

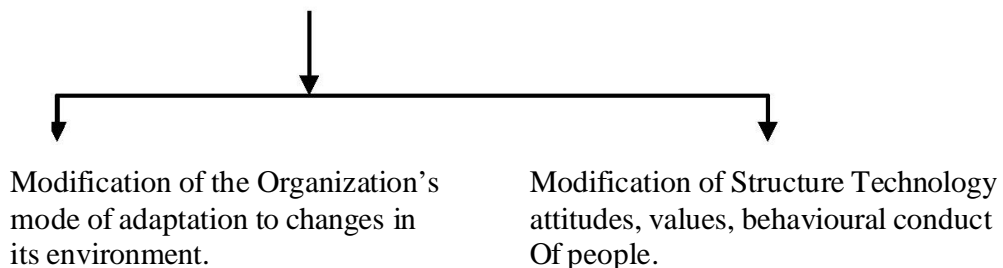


Figure 18.2

1. **EnvironmentAdaptation:** Organisation works on adaptive coping system. It has to work in environment market by dynamic factors. Organisation has to maintain balance & equilibrium. If the changes are minor, Organisations accommodate them automatically. If the change cannot be adapted to the existing system then Organisational effectiveness is affected. Organisation requires innovation. EveryOrganisation has an adaptive sub system, such as

research and development etc. to cope with the changes.

2. **StructuralAdaptation:** Organisation structure is the pattern of relationship among various positions and among various position holders. Structural adaptation involves changing the internal structure of the organisation. This change can be in – Relationship, WorkAssignment & Authority Structure.
3. **TechnologyAdaptation:** The technological factors pose a different type of work structure and the Organisation has to change its task to cope with the technological upgradation.
4. **TaskAdaptation:** Technological changes bring changes in organisational task. Task focuses on job performed by the individuals in the organisation. Planned change is required to cope with the change.

Change brings in disequilibrium in the organisation, the organisation has to modify its structure – Work Relationship, Styles.

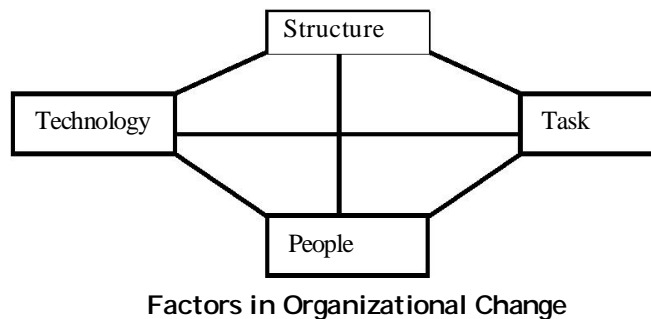


Figure 18.3

Factors of organisational change:-

1. Structure
2. Technology
3. People
4. Task

The structure of the organisation either accelerates or resists change . The

technological factors also play an important role. e.g if the organisation is having new technology then the change may be fast. The people if are supportive for change and adaptive then the process of change is accelarated.

All the aspects in Organisation are interrelated i.e. the System Theory. All the factors are interrelated and the organisation has to simultaneously change in all the aspects.

18.10 PROCESS IN PLANNED CHANGE

Organisational change involves formidable exercises of the part of management. It requires considerable planning to avoid the negative aspects of change, it should be undertaken in a planned way.

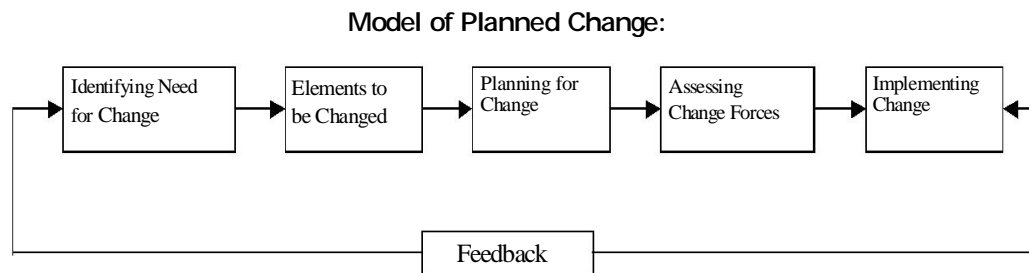


Figure 18.4

The process consists of six sub processes linked in logical sequence – A manger can undertake a change programme by following these steps:

1. Identifying the need for Change: The first step is to identify the requirement of change. Change always has strong resistance, but if planning is done then support is done by people. Change is External forces and internal forces bring about change in organisation. There is no need for change, the forces which create a need for a changes are:

- a) Cost of production
- b) Declining profit
- c) Employee turnover
- d) Role conflict

- e) Need for expansion and growth.

The need for change can be examined from the gap analysis i.e. gap b/w the desired state of affairs and the actual state of affairs i.e. the differences between what the Organisation is achieving and what it should achieve.

2. **Elements to be Changed:** Elements of the organisation to be changed is decided by the need and objectives of change. The process of identification of change provides a clue for change, this requires – diagnosis of problem e.g. decline in profit requires changes. Change is required in three major elements – Organisation Structure, Technology and People.

The Nature and extent of change in these elements depend upon the problem being faced by the organisation.

Impact of changes are on the following

- a) Job designs
- b) Job definitions
- c) Basis of description
- d) Span of control
- e) Organisational policies and procedures
- f) Coordination mechanism
- e) Power structure etc.

Technology :

- a) Plant & Equipment
- b) Techniques for doing work
- c) Production Methods

People:

- a) Changes in behaviour

- b) Interaction pattern
- c) Informal grouping
- d) Skills
- e) Attitudes

Some changes affect the organisation in all these dimensions and others in limited aspects.

3. **Planning for Change:** This includes planning for who will bring change, when to bring change and how to bring change. Major changes require that some persons are specified as change agent.

Change expanding over a period of time requires, measuring its impact and correcting dysfunctional aspects resulting from change, putting change in another aspect etc. This process goes on over the period of time.

4. **Assessing Change Forces:** Before executing the plan for change, it is necessary to assess forces which affect change in either way. The planned change is not automatic, rather there are many forces in individuals, groups or even organisation which may either accept the change or resist it, though in most of the cases, there may be resistance.

According to Kurt Lewin,

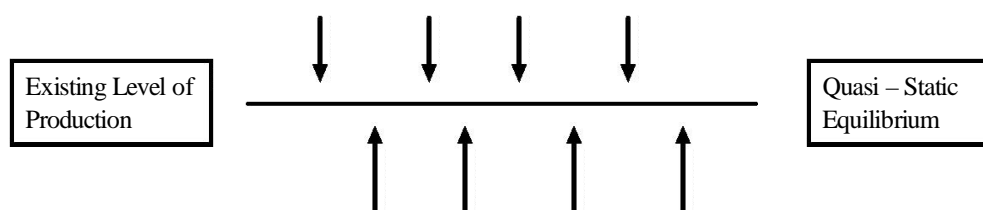


Figure 18.5

The figure shows that existing level of activities, which is a quasi-static equilibrium, is reached when restraining forces and driving forces are equal. This equilibrium is quasi-static because it may continue for sometime, and if there is any change, new equilibrium is achieved. Thus, when any change is introduced, the balance of driving

and restraining forces changes, making forces to behave differently. Depending on the nature of the change, management can take one of the following actions.

- i) If the driving forces far outweigh the restraining forces, management can push driving forces and overpower restraining and change can be implemented.
- ii) If the driving forces and the restraining forces are equal, management can push up the driving forces and at the same time, can convert or immobilize the restraining forces to implement the change.
- iii) If the restraining forces are stronger than the driving forces, management can drop the change programme if it is not possible to change these forces. In alternative case, it can attempt to change these forces by postponing the change programme to be undertaken at more of appropriate time.

5. **Implementation of Change:** If the driving forces are stronger than the restraining forces, management can implement the change programme. Change programme requires change in people, which can be brought through training.

6. **Feedback and Follow up Action:** Management of change requires feedback and follow up actions to ensure that change programme is progressing in right directions without producing any dysfunctional effect. Problems created by the change should be tackled immediately for better results of organisation.

18.11 HUMAN REACTION AND RESISTANCE TO CHANGE

Resistance to Change

In the management of change effectively, the managers face the problem of resistance to change. People tend to resist many types of changes because new habits or sacrifices are required. Similarly, social systems tend to resist change because of homeostasis. Homeostasis implies self-correcting characteristics of organism to maintain equilibrium as a result of change, that is, people act to establish a steady state of need fulfilment and to secure themselves from disturbance of that balance. When change is minor and within the scope of correcting programme, adjustment is fairly routine, but when a change is major or unusual, more serious upsets may occur. This leads to general proposition that people and their social systems will often resist

change in organisations. In fact, fear of change can be as significantly disrupting as change itself, because it produces identical symptoms.

Before we trace out the reasons for resistance to change, let us discuss whether resistance is always bad as a generally perceived to be. In fact, there are two sides of resistance : as a cost and as benefit.

Resistance as a Cost : Since all changes have some cost so is the resistance to change. If people resist to change, the organisation may not be able to introduce new phenomena in fact, many organisations have been forced to abandon change programmes because of resistance to such programmes, or they have been forced to adopt alternative strategies, like shifting of the manufacturing plants at new locations. Many companies have been forced to do so in the past. One example of Bajaj Auto Limited is relevant here. In order to increase its manufacturing capacity of two-wheelers, the company procured land near its old plant site but later shifted the new plant site away from the old plant because of resisting work culture of the old plant which was expected to percolate to the new plant also. On this phenomenon, Madhur Bajaj, managing director of BajajAuto, commented that, “The Pune plant is fully saturated. We wanted a new culture and new layout. We saw resistance to change at the existing plant. We shall take new workers at the new place.”

Resistance as Benefit : On the one hand, resistance to change is a costly affair, on the other hand, it provides some benefits to the organisation provides an opportunity to the change agents to weigh the pros and cons of introducing change more carefully. While introducing a change emphasises only its positive side; resistance to change emphasises on negative side; the reality lies in between. Resistance to change forces management to find out this reality which helps in managing change more effectively. Thus, resistance to change provides help in managing change in two ways :

- 1) It may signal the need for more effective communication about the meaning will affect the organisation and its members.
- 2) It also highlights real inadequacies in the proposed change and suggests better ways for developing and introducing changes.

Response to organisational change

When change is initiated, both managers and employees react to it. Attitude of people play a significant role in deciding human response to change attitude are important in determining the response to change because an employee's perception about the likely impact of change depends on his attitudes. There are three alternative of human response to change – Resistance, Indifference and Acceptance.

1. **Resistance:** People resist a change when they have a feeling that the change is likely to affect them unfavourably Resistance to change becomes more forceful when the people have a feeling that through resistance they may eliminate the change.
2. **Indifference:** Sometimes, people do not react to change in either positive way or in negative way. The reason may be that either they fail to interpret the outcome of the change on their need satisfaction or they feel that it has nothing to do with them.
3. **Acceptance:** People perceive that the change is likely to affect them favourably, they accept the change. They can do it in two way
 - i) They may accept the change.
 - ii) They may plan for change.

18.12 CHANGEAGENTS

Planned change requires change agents, that is the person who will initiate change in organization. Management as a whole can be termed as change agent as it is involved in the continuous processes of innovation and change in the organisation.

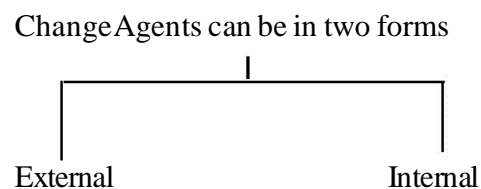


Figure 18.6

- i) **External:** External change agents are in the form of consultants of change. These are the persons who are normally experts in their respective fields and offer their expertise to the organisation by charging consultancy fee.
- ii) **Internal:** The internal change agents are from existing organisational change. They may be from any level and any department.

Both internal and external change agents work in harmony. The internal change agents are trained by the external change agents to implement the change programme.

Role of External Change Agent: The external change agent is in a position to view the organization meant for change from a total system point of view and is much less affected by organisational norms. The role of external consultancy is flexible and varies according to the nature and scope of activities assigned to him. A change programme will be more successful if the consultancy is given. The role of process consultation and rest of the programme is implemented by the organisation itself with the help of the consultant.

Role of the External Change Agent can be taken as:

1. Education of Top Management.
2. Organisational Diagnosis.
3. Formulation and Implementation Strategy.
4. Selection, Training and Supervision of MBO advisors.
5. Training of managers.
6. Process Consultation at the top level.
7. Advice to the chief executive and other top executives on their objectives document.
8. Evaluation and innovation.
9. Integration of MBO a process with other management systems and techniques.

Role of Internal Change Agents: Internal change Agent is responsible for

operational change in the organisation as suggested by the external change agent. By accepting the norms of the organisation, the internal change agent spends little time in helping the organization more towards self renewal, growth and change.

The Change Agents work as :

1. Chief Executive and
2. Change Advisor.

Chief Executive: Provides support and leadership necessary for the effective change.

Change Advisor: Depending on the need, many change advisors can be appointed for a specified period. The basic concern of a change advisor is to prepare the organization and its people to accept and implement the change. He helps the managers to develop appropriate behaviour and skills required for change.

18.13 ORGANIZATIONAL FAILURE TO CHANGE

Organisation's fail to change due to the resistance to change. Accepting the fact that people have a natural instinct to adapt to their environment is the first step towards effective management of change.

Sources of Resistance to Change

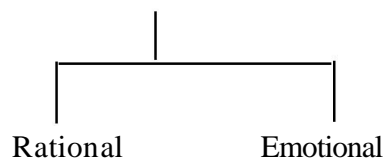


Figure 18.7

Rational: When people do not have the proper knowledge or information to evaluate the change.

Emotional Resistance: It involves the psychological problems of fear, anxiety, suspicion, insecurity and the like.

Reasons for resistance to change:

Three broad reasons can be identified:

1. Logical, rational factors.
2. Psychological, emotional factors.
3. Sociological factors, groups interests.

Logical, rational factors:

1.
 - a. Time required to adjust.
 - b. Extra effort to relearn.
 - c. Possibility of less desirable conditions such as skill downgrading.
 - d. Economic costs of change.
 - e. Questioned technical feasibility of change.

2. Psychological, emotional causes:

- a. Fear of the unknown
- b. Low tolerance of change
- c. Dislike of management or other agent of change.
- d. Lack of trust in others.
- e. Need for security, desire for status quo.

3. Sociological factors, group interests:

- a. Political conditions
- b. Opposing group values
- c. Parochial, narrow outlook
- d. Vested interests
- e. Desire to retain existing friendship
- f. Group inertia

B. CHECK YOUR PROGRESS

FILL IN THE BLANKS :

(i) In organizations, people who act as catalysts and assume the responsibility for managing the change process are called.....

- (a) change masters (b) change agents
(c) operations managers (d) charismatic leaders

(ii) Managers' options for change essentially fall into what three categories ? ?

- (a) environment, technology, and mission (b) structure, technology, and people
(c) mission, structure, and people (d) mission, environment, and process

(iii) The unfreezing step of the change process can be thought of as.....

- (a) thawing the organization loose from the current status to the new status
(b) making the move to the new organizational condition
(c) loosening the organization from the old condition and moving it to the new condition
(d) preparing for the needed change

Apart from these there are some more reasons like

- a. **Over Determination:** Organisations have several systems designed to maintain stability. Such a system is characterized by over determination or structured inertia. The structure of the organisation is such that it provides resistance to change because it was designed to maintain stability.
- b. **Narrow Focus of Change:** Many efforts to change adopt a narrow focus. These do not take into account the inter dependencies among organisational elements such as people, structure, tasks and the information system.
- c. **Threatened Expertise:** A change in the organisation may threaten the specialized expertise that individuals and groups have developed over the years. A job redesign or a structural change may transfer the responsibility. This threatens the specialist's expertise and thus, he resist change.
- d. **Threatened Power:** Any redistribution of decisions making authority may threaten the individual's power relationship with others. If an organisation is decentralizing, the decision making managers will resist change.
- e. **Resource allocation:** Groups that are satisfied with current resource allocation methods resist change as they believe that change will threaten their future allocations.

Organization Culture: Individuals identify with their organisations and resist change in the organisational culture.

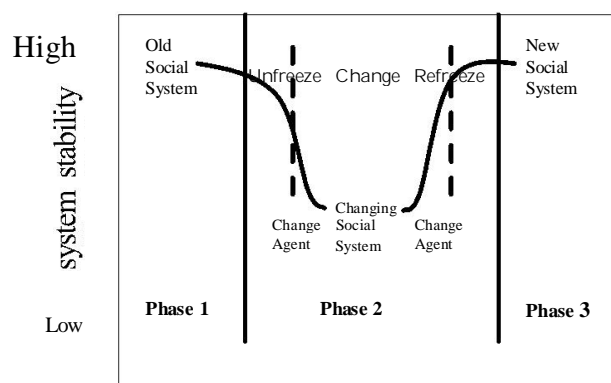


Figure 18.8 : Process of Organisation Change

The Resistance to change, if not managed properly will lead to Organisation's failure to change. The management should take following steps:

- a. If the driving forces outweigh the restraining forces, management can push driving forces and overpower restraining forces and change can be implemented.
- b. If the driving forces and the restraining forces are equal management can push up the driving forces at the same time, can convert or immobilise the restraining forces to implement the change.
- c. If the restraining forces are stronger than the driving forces, management can drop the change programme.

18.14 ORGANISATIONAL GROWTH AND CHANGE

Change in any organisation leads to Organisational Growth, if the change is planned. Organisational change is considered to be a modern approach to the management of change.

The main targets of Organisational change are:

- 1. Purpose and Objectives**
- 2. Strategy**
- 3. Tasks**
- 4. Technology**
- 5. People**
- 6. Structure**

Cooperation of Unions: Unions act as change agents. A change introduced without their support may not stay for long.

Concern for Employees: A change should not be introduced for the sake of it. Any problem that has taken place because of changes needs to be looked into and corrected immediately.

Organisational Development: Organisational development (OD) is a systematic approach to launch and diffuse change in Organisations. It is used as a long term approach to Organisational change as compared to short term. In organisational change process, a basic problem involved is the changing of the attitudes and values of people in such a way that under change conditions, they are more effective and do not resort to old working habits. This requires an integrated effort of changing role of an individual, his approach and attitudes.

Organisational Development was introduced by Douglas Mc. Gregor, work at Union Carbide and ESSO in United States of America in 1950's. The concept was strengthened in 1960's and 70's.

The possible change methods for these are:

1. Clarify overall mission, modify existing objectives.
2. Modify strategies plans, operational plans, modify policies etc.
3. Modify job designs.
4. Improve equipment and facilities.
5. Modify selection criteria.
6. Modify job description, Organisational designs, adjust co-ordination mechanisms.

To make change permanent for Organisational growth:

1. **Use of Group Forces:** The characteristics of group membership should be taken into account and the change depends on the groups, so the change agents must make use of the groups to bring about change.
2. **Change of Change Agent:** The change agent must himself change. It is only then, a psychological climate of support of change is established. Unwillingness

of the managers to give up traditional managerial practices and their unpreparedness to accept to change.

3. **Shared Rewards:** Another way to build support for change is to ensure that the people affected derive benefit out of change.

18.15 SUMMARY

Changes are inevitable. Organisational can become effective by planning for changes. Resistance to change can be minimized by proper organisational climate development and training the employees.

18.16 GLOSSARY

- **Organisational Change :** It is the framework of managing the effect of new business processes changes in an organisational structure.
- **Change Agent :** A change agent is a person from inside or outside the organisation who helps an organisation transform itself.

18.17 SELFASSESSMENT QUESTIONS

1. Define Organisational Change and explain the process of planned change.

2. How can management overcome resistance to change ?
3. What do you understand by OD Interventions ?
4. Define change agent

18.18 LESSON END EXERCISE

1. What are the responses to change? Explain

Answers to check your progress

- A.** (i) b
(ii) d
(iii) d
- B.** (i) b
(ii) b
(iii) d

18.19 SUGGESTED READINGS

1. P. Subba Rao, Organisational behaviour, Himalaya Publishing House, Indore, M.P., 12th March 2017
2. Stephen P. Robbins, Timothy A. Judge, Neharika Vohra, Organisational behaviour, Pearson, India Education Services Pvt. Ltd., 2018.
3. K. Aswathappa, G. Sudarsana Reddy, Management and Organisational Behaviour, Himalaya Publishing House, 2020.
4. Fred Luthans, Organisational Behaviour, McGraw Hill Companies, 2005.
5. R.R. Kapoor, Organisational Behaviour, Black & Black, 2024.

M.Com 1st Sem
Unit IV

Course No M.Com-C152
Lesson No. 19

ORGANISATIONAL EFFECTIVENESS

STRUCTURE

- 19.0 Learning Objectives and Learning Outcomes
- 19.1 Introduction
- 19.2 Concept of Organisational Effectiveness
- 19.3 Approaches of Organisational Effectiveness
- 19.4 Let us sum up
- 19.5 Glossary
- 19.6 Self Assessment Questions
- 19.7 Lesson End Exercise
- 19.8 Suggested Readings

19.0 LEARNING OBJECTIVES

- (i) To acquaint the learners with the concept of organisational effectiveness
- (ii) To impart knowledge about the levels of organisational effectiveness
- (iii) To provide insights about the approaches to measure effectiveness

LEARNING OUTCOMES

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

- (i) define organisational effectiveness.
- (ii) state the levels of organisational effectiveness.
- (iii) explain the approaches to measure organisational effectiveness.

19.1 INTRODUCTION

The term effectiveness is defined as the ability of organisations to obtain and use resources efficiently to realize stated objectives.

Organisational Effectiveness consists of individual and group effectiveness as organizations consists of individuals and group. However, organizational effectiveness is more than the sum of individual and group effectiveness through synergetic effects, organizations are able to achieve higher levels of performance than the sum of this parts. The rationale for organizations as means for doing the work of society is that they can do more than is possible through individual efforts.

19.2 CONCEPT OF ORGANISATIONAL EFFECTIVENESS

Organisational effectiveness is defined with four main components: **Systemic, social, technical and ecological**. The systemic component is named sustainability of the Organisation, e.g. the stability and growth of the organisation is secured through the quality of goods and services and the protection of financial resources. It could be assessed with three criteria: the quality of the goods and services, the satisfaction of the business partners (customers, shareholders, creditors and suppliers) and Organisational competitiveness. To achieve the results related with this component the managers have to pay attention to the other components of organisational performance, through which the added value is created and secured.

The social component is related to the people working for the organisation; it could be assessed with five criteria: Personnel health and safety, employee commitment, organisational climate, competencies and employee performance.

The technical component of processes efficiency, refers to the proper use of the techniques and the technologies, particularly in the areas of operations, systems and finance management. It is assessed with three criteria: Resources economy, productivity and general profitability.

The ecological component of performance is the legitimacy of the organisation. It describes the position of the organisation in its environment, based on the evaluation of the external groups such as the community the government and various other interest groups. It could be assessed with three criteria: Respect of regulations, social responsibility, environmental responsibility.

19.3 APPROACHES OF ORGANISATIONAL EFFECTIVENESS

There is no universal agreement as to what effectiveness means, in either a theoretical or practical sense.

Views expressed by experts for organizational effectiveness

1. Goal approach
 2. Systems Resource approach
 3. Multiple consistency approach
 4. Functional Approach
- 1) Goal Approach:** This is the oldest and most widely used approach to understand organisational effectiveness. An organisation exists to attain goals and its effectiveness should be assessed in terms of goal accomplishment. And what applies to organisations is relevant to individual and group effectiveness.

This concept is based on the assumption that the individual group or Organisation has an overriding goal that managers can identify and measure.

The goal approaches reflect purposefulness, rationality and achievement. But the approach has two problems. In the first place, goal achievements is not readily measurable for organisations shall not produce tangible outputs. Secondly, organisations attempt to achieve more than one goal, and the realisation of one goal often provides the ability to attain other goals.

2. **Systems Resource Approach:** This theory is defined as the capacity of the Organisations to survive, adopt maintain itself and grow, regardless of the particular functions it performs.

Argyris, Rice, Kahn and Bennis subscribe to the systems approach system theory enable us to describe the behaviour of organisations both internally and externally. Internally, it is seen how and why people inside the Organisations perform this individual and group tasks. Externally, we can relate the transactions of organisation with other organisation and institutions. All organisation acquire resources from the larger environment of which, each is as part and in turn, provide goods and services demanded by that larger environment.

Systems approach to organisational effectiveness involves multiple criteria. It deals with the inputs from the environment and the coping style of Organisation to the environment, also the relation of internal operations to the changes. System approach provides an answer to the organisation to cope with the changes.

3. **Multiple Constituency Theory:** The application of systems theory to organisational effectiveness shows the importance of external environment. The M.C. Theory achieves a balance among various parts means satisfying the interests of all stakeholders in the Organisation. Stakeholders in the Organisation include shareholder employees, creditors, government officials and the general public. Managers must strive to achieve a balance among the interests. All the stakeholders Balance helps to achieve organisational effectiveness.

A> Check your progress

Fill in the blanks :

- (i).....approach is the oldest and widely used to understand organizational effectiveness.
- (ii)deals with the inputs from the environment and coping style of organization to the environment

Combining all the three approaches, Organisational effectiveness can be obtained. Organisational Effectiveness can be defined as the ability of a firm to obtain and use resource efficiently in order to realize the stated objectives and satisfying the interests of all stakeholders.

4. Functional Approach

In functional approach an organisation's effectiveness is determined by the social consequences of its activities. The frame of reference for this assessment is not the organisation structure itself but how its activities benefit society.

With this approach, every system must define its purpose for being (goal attainment), determine resources to achieve its goals (adaptation), establish a mean for co-ordinating its efforts (integration) and reduce the tensions and strains in the environment (pattern maintenance). The appraisal of an organisation's effectiveness should consider whether these activities are functional or dysfunctional in fulfilling the organisation's goals.

19.4 LET US SUM UP

Organisational Effectiveness is the reflection of organisational performance. It reflects the communication, motivation, leadership and other organisational aspects of any organisation.

19.5 GLOSSARY

- **Organisational Effectiveness** : It refers to the efficiency with which an association is able to meet its objectives.
- **Ecological** : Relation of living organism to one another

19.6 SELF ASSESSMENT QUESTIONS

1. Explain Organisational Effectiveness

2. Explain the systems approach of organisational effectiveness.

19.7 LESSON END EXERCISE

1. Differentiate between Organisational effectiveness and managerial effectiveness

3. What is adaptive coping cycle? Explain the process of Organisational effectiveness.

Answers to check your progress :

- (i) Goal Approach
- (ii) Systems Resource Approach

19.8 SUGGESTED READINGS

1. P. Subba Rao, Organisational behaviour, Himalaya Publishing House, Indore, M.P., 12th March 2017
2. Stephen P. Robbins, Timothy A. Judge, Neharika Vohra, Organisational behaviour, Pearson, India Education Services Pvt. Ltd., 2018.
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4. Fred Luthans, Organisational Behaviour, McGraw Hill Companies, 2005.
5. R.R. Kapoor, Organisational Behaviour, Black & Black, 2024.

M.Com 1st Sem
Unit IV

Course No M.Com-C 152
Lesson No. 20

POWER AND CONFLICT

STRUCTURE

- 20.0 Learning Objectives and Learning Outcomes
- 20.1 Introduction
- 20.2 Concept of Power
- 20.3 Consequences of Power
- 20.4 Politics
- 20.5 Power and Conflict in Organisation
- 20.6 Concept of Work Life Balance
- 20.7 Importance of Work Life Balance
- 20.8 Steps to Improve Work Life Balance
- 20.9 Benefits of Work Life Balance
- 20.10 Concept and Meaning of Stress
- 20.11 Causes of Stress
- 20.12 Effects and Coping Strategies for Stress
- 20.13 Let us sum up

- 20.14 Glossary
- 20.15 Self Assessment Questions
- 20.16 Lesson End Exercise
- 20.17 Suggested readings

20.0 LEARNING OBJECTIVES

- (i) To acquaint learners with the meaning of power in the organisations.
- (ii) To impart knowledge about the determinants of work life balance.
- (iii) To provide insight about the concept of organisational design.

LEARNING OUTCOMES

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

- (i) explain concept of power.
- (ii) list determinants of work life balance.
- (iii) describe parameters of organisational design.

20.1 INTRODUCTION

Power is the ability to influence people and events. The term power may be applied to individuals, groups, teams, departments, organisations and countries. For example, a certain team within an organisation might be labelled as powerful, which suggests that it has the ability to influence the behaviour of individuals in other teams or departments. This influence tends to affect resource allocation, space assignments, goals, hiring decisions and many other outcomes and behaviours in an organisation

20.2 CONCEPT OF POWER

Power is a social term; i.e, an individual has power in relation to others, teams and so on. Thus, the concept of power characterises interactions among people — more than one person must be involved for the concept to have meaning. Further, power is never absolute or unchanging. It is a dynamic relationship that changes as situations and individuals change. For example, a manager may strongly influence the behaviour of one subordinate but, at the same time, only marginally influence another. Managers may be powerful with respect to their own subordinates, yet may be unable to influence the behaviour of employees in other departments. In addition, relationships change with time. Last month's successful influence attempt may fail tomorrow, even though same people are involved in both situations.

Notwithstanding what has been described above, it is important to understand that without power there is no arts, no letters, no society, no organisation and the life of man itself. Power stands behind every association and sustains its structure.

20.3 CONSEQUENCES OF POWER

Managers who have power need to use it. Two ways are generally used: influence and sexual harassment.

Influence refers to any behaviour that seeks to alter someone's attitude and behaviour. In fact, influence is power in action. Influence is the very fundamental process of OB. Leadership by definition is the ability to influence others' behaviours. Motivation is influencing employees to perform better. An executive job, day in and day out, is the process of influencing subordinates to do or not to do certain things. Influence is not always superiors influencing subordinates. It can be between peers.

Sexual Harassment: The worst case of using power is sexually attack the opposite sex, mainly of women by men. Also called workplace harassment, sexual harassment is becoming a major problem, as more and more women are taking up jobs in organisations. In it's study conducted by ET-Synote has come out with a finding that every fifth worker has been sexually harassed in Indian businesses. And women are not the only victims. Even men are subject to harassment by female peers or bosses.

Physical contact, undue advances, sexually coloured jokes or remarks, showing pornography and any other unwelcome physical, verbal or non-verbal conduct of sexual nature constitute sexual harassment.

Elsewhere countries possess legislations to safeguard interests of women. No such law is in force in India as of now, on its part, the Government drafted the 'Protection of Women against Sexual Harassment in Workplace' Bill in 2007. In the absence of a codified law, organisations follow directions given by the Supreme Court in its landmark judgement given in the famous Vishaka and Others vs, State of Rajasthan and Others. One of the requirements of the judgement is the constitution of sexual or workplace harassment committees in organisations.

Paraphernalia: The power of different individuals can be assessed by examining how many paraphernalia of power they possess. Trappings include such

things as titles, office size and location, special parking privileges, special eating facilities, automobiles, airplanes and office furnishings. Since the executive offices are typically on the top floor of a building, the location of offices on other floors often reflect the relative power of the office holders.

Reputation: Another way of assessing power in organisations is to ask members of the organisation who possess the greatest power or exerts the greatest influence. This method measures the reputation on organisational members as perceived by others and assumes that people are knowledgeable about power relationships and willing to report what they know. These assumptions are often incorrect, especially when power is effective, because then it is not perceived as an exercise of power. Consequently, the potential activities of the most powerful and Influential individuals may be understated or overlooked by both themselves and others.

Power Shifts: There have been perceptible shifts in power equations in our society. Several of these power shifts deserve brief explanation.

One shift relates to the relationship between employers and employees. The deeply held notion is that the employers have the power as it is they who give jobs to the employees. But it is changing. Now, it is the employees who are calling the shots. Organisations are in need of talented people and such people are not available in requisite numbers.

Power is shifting from large companies to medium-sized companies. Advantages of size are fading and giant firms will be regarded as a historical phenomenon. No doubt, large companies can take advantage of economies of scale. However, in an economy based on information rather than on tangible products, economies of scale in manufacturing are less valuable than they used to be. With the costs of computing power and telecommunicators rapidly falling, vast networks of human beings also are less of an advantage. For many sectors of the economy, particularly those based on information, medium-sized companies will be more competitive than huge firms, as they can make and act on decisions much more quickly.

There is power shift from Government sector to private sector. With privatisation sweeping across the countries, the role of government in owning and running business establishments and in providing jobs is losing its ground. No more the Government is a big player in business. No more the state controls the private sector. Private sector now enjoys its pride of place. Power, which was in the hands of ministers and bureaucrats, has now moved to captains of industry.

Power has also shifted from workers' representatives to managers. For a long time, in India, workers and their unions called the shots. Whether it was hiring, remunerating, transferring, or promoting employees, nothing could the managers do ignoring unions. Executives were ill-treated, humiliated, blackmailed and their effigies were burnt if they did not yield to the pressures of unions. Strikes and processions were the order of the day. Profitability, productivity and efficiency were not to be uttered, forget about being serious about them. In short, till 1990s, it was the workers who ran the organisations and not the employers. From the beginning of 90s, it is the management, which is on the offensive. What all workers did earlier is now done by managers, of course, with vengeance. For the first time in the post-independence India, managers have the power to manage their organisations in the way they desire.

20.4 POLITICS

Closely related to power is politics. Politics relates to the ways people gain and use power in organisations. In theory, politics has no place in organisations. Organisations are supposedly rational entities engaged in the pursuit of specific goals. But in reality, organisations are replete with political activities, in an economy, money is the medium of exchange. In organisations, politics is the medium of exchange. Managers need to be political beings in order to meet their objectives.

Individuals, subunits and coalitions in an organisation engage in political activity to enhance their power. Even if organisational members or subunits have no personal desire to play politics, they still need to understand how politics operates because sooner or later they will come up against a master player of the political game. In such situations, apolitical managers (those who shun politics) get all the tedious assignments

or the responsibility for projects that do little to enhance their career prospects. Astute political managers get the visible and important projects that bring them into contact with powerful managers and allow them to build up their own power base, which they can use to enhance their chances of promotion.

20.5 POWER AND CONFLICT IN ORGANISATION

Power

Power is the ability to influence other people. It refers to the capacity to affect the behaviour of the subordinate with the control of resources. It is an exchange relationship that occurs in transactions between an agent and a target. The agent is the person who uses the power and target is the receipt of the attempt to use power.

Power is a capacity or potential that a person A has to influence the behaviour of another person B that B does things he or she would not otherwise do. It is a function of dependence, the greater B's dependence on A, the greater is A's power in the relationship. For A to get B to do something he or she otherwise would not do means that B must have the discretion to make choices.

The use of power and politics is a fact of life in organisation. If someone wants to get things done, must have power. Organisation made up of individuals and groups who seek to gain power in order to favorably influence the allocation of organisational resources.

Power and conflict in organization

Beneath the global financial crisis and credit crunch, many companies cannot overcome their own problems so that leads to shut their business down. Due to this situation, in order to survive in the organizations, it's essential for managers to have self improvement in various fields and strengthen their abilities such as the ability of controlling and using power and politics to manage and settle conflicts in their working environment. In pursuit of achieving goals, people need to deal with the interpersonal and intergroup conflict or problems caused by different backgrounds, cultures and

education so that they can get more power which they are longing to attain. It is necessary to realize how conflict and politics influence one's life working in an organization. Additionally, having a clear understanding of the relationships between power, conflict and politics within organization can contribute to comprehend what roles they are in organization. This chapter gives an account of power, conflict and politics in organizational activity and has been organized in the following way. Foremost, the first part will demonstrate the definition of conflict and give a detailed description on the sources of conflict. It will then go on to illustrate power and politics in the following parts. Finally, it will critically assess some of the effects of power and politics on life within organization.

Conflict

Conflict is not avoidable and can be managed and reduced by exercising power and political strategies. Cole has defined that 'conflict is not necessarily a bad thing, for it can force members of a group to recognize the deep feelings of one individual, or of a minority and make efforts to resolve the issue which appears to be divisive' (1995:186). Besides, Daft agrees that 'conflict is a natural and inevitable outcome of the close interaction of people who may have diverse opinions and values, pursue different objectives, and have differential access to information and resources within the organization. Hatch(2006) has indicated that in spite of levels of individuals, groups or organizations, power can refer to be wielded between people with interrelationships. Additionally, it has been concluded from different views of power and summarized them as the ability of people or groups within an organization which can help people to carry out the results they want via affecting others. In other word, by using power, the power holders will impede others' process of achieving goals with the purposes of attaining their desired outcomes. Power is the ability to influence someone else. Influence is the process of affecting the thoughts, behaviour and feelings of another person. Authority is the right to influence another person. Authority is a legitimate right to influence others.

- (1) Authority is right to influence others but power is ability to influence people.

- (2) Authority is legitimate while power is not.
- (3) Authority confers legitimacy to power but power itself need not be legitimate.

Bases / Sources of Power

According to French and Raven, a manager derives power from five sources namely; Reward, Coercive, Legitimate, Referent and Expert power.

1. **Reward Power-** It is based on the agent's/manager's ability to control rewards the target/employee wants. The common, e.g., of it are managers control rewards of salary increases, bonuses and promotions. This power is based on old saying that 'wealth is power.
2. **Coercive Power-** It is opposite of reward power. It is based on a manager's ability to cause an unpleasant experience for its people. In organizational situation, it may be in the form of action for or threat for dismissal, suspension, or demotion, for the people working in organization.
3. **Legitimate Power-** It is based on position and mutual agreement. Both the agent and target agree that the agent has the right to influence the employees. It is in the form of authority which is delegated to the positions of organizational members.
4. **Referent Power-** It is an elusive power that is based on interpersonal attraction. Charismatic individuals are often thought to have referent power. Here, people take somebody as ideal and behave accordingly upto a certain stage.
5. **Expert Power-** It exists when the agent has information or knowledge that the target needs. It is based on the proverb, "knowledge in power". Three conditions to be fulfilled are (i) the target must trust that the information given by the agent is accurate and correct. (ii) The information should be relevant and useful to the target. (iii) The target must consider the agent as an expert.

20.6 CONCEPT OF WORK LIFE BALANCE

Work life balance is a method which helps employees of an organization to balance their personal and professional lives. Work life balance encourages employees to divide their time on the basis on priorities and maintain a balance by devoting time to family, health, vacations etc. along with making a career, business travel etc.

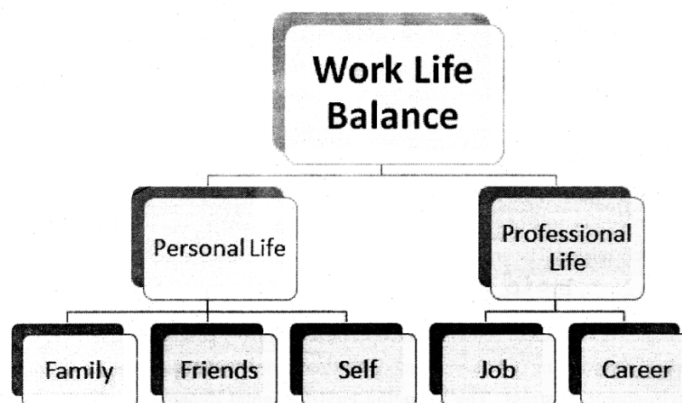
It is an important concept in the world of business as it helps to motivate the employees and increases their loyalty towards the company.

20.7 IMPORTANCE OF WORK LIFE BALANCE

Working on a job for a company and making a career can be an extremely time consuming duty for any employee. Employees are busy at their offices throughout the day and sometimes even on weekends. This gives them very little time to interact with their family. Because of high pressure of work, often family members get neglected. Also, stressful jobs cause the health of employees to deteriorate. This is where work life balance come into the picture. Work life balance concept allows an employee to maintain a fine balance in the time he or she gives to work as well as to personal matters. By having a good balance, people can have a quality of work life.

This helps to increase productivity at workplace as the employee is relaxed about his personal commitments. It also allows the employee to give quality time with family to spend vacations, leisure time, work on his/her health etc. Hence work life balance is extremely important for employees and increases their motivation to work for the company.

The below image depicts a work life balance scenario, where an employee has to balance his/her life between personal (family, friends & self) and professional (job, career)



20.8 STEPS TO IMPROVE WORK LIFE BALANCE

There are specific guidelines to how an individual can maintain a proper work life balance, some of which are:

1. Creating a work leisure plan

Where an individual has to schedule his tasks, and divide time appropriately so that he has allocated appropriate time to his work and his career development goals and at the same time allotted time for leisure and personal development. Employees also use a compressed work week plan to build a balance.

2. Leaving out activities that waste time and energy

Individual should judiciously avoid wasteful activities which demand large time and energy and in return not produce output for either the work life or the leisure life.

3. Outsourcing and Delegating work

Delegate or outsource time consuming work to other individuals. It serves two purposes, first the work gets done and the other is person can focus on other things which may align more with skills and knowledge and may be less stressful. It also helps grooming the other employees.

4. Set enough time for relaxation

Relaxation provides better work life balance, and tends to improve productivity on the professional or the work front along with providing ample scope to develop the life part of the balance.

5. Prioritizing work

Often employees do not give priority to work and end up doing a lot of work at the last minute. Better planning can help employees save unnecessary time delays, which can be utilized by employees for personal work.

20.9 BENEFITS OF WORK LIFE BALANCE

There are several advantages of work life balance. Some of them are listed below:

1. Work life balance increases the motivation of employees and helps them perform better at job.
2. It helps people to relieve their stress as they can spend leisure time with their near and dear ones.
3. Companies can maximise productivity from an employee who is rejuvenated and refreshed as compared to a over worked employee.
4. Healthy lifestyles can be maintained by having a work life balance. This includes a good diet, regular exercises etc.
5. Employees who are highly motivated can help the business grow as they are more attached to their job and careers.

A Check your progress

Fill in the blanks:

- (i) Conflict is not.....and can be managed by exercising.....and political strategies
- (ii)is the opposite of reward power
- (iii)power is based on position and mutual agreement.

20.10 CONCEPT AND MEANING OF STRESS

Stress is a psychological condition and body discomfort. Stress is a common phenomenon. Every individual experiences stress at some or other time. Employees experience stress in the process of meeting the targets and working for long hours. When the person experiences a constraint inhibiting the accomplishment of desire and demand for accomplishment, it leads to potential stress. Anxiety is converted into stress and ultimately it leads to job burnout. In fact for most of the time individuals are responsible for stress. However, organisations also create stress in the individuals.

Why one should be concerned about stress? The reason is that the stress has more negative consequences than positive. In this section, you will learn the definition, causes and consequences of stress. You will also be to understand techniques of managing stress. You will further learn the process of creating stress free environment.

Definition of Stress Stress is a state of discomfort experienced by an individual. Loss of emotional

stability is the general expression of stress It is generally apparent when the individual experiences a biological disorder. Stress has a positive association with the age life styles, time constraints and the nature of occupation. Certain occupations are more

prone to the stress than the others. For instance, drivers of vehicles, doctors, lawyers and managers are more likely to get stress than teacher, bankers and operating personnel. Individuals feel stress when the needs or desires are not accomplished in the normal expected ways. This is because of the natural constraints operated on the individuals. The more the intensity of the desire and greater is the uncertainty associated with the achievement of the goal, the greater is the degree of stress. Employees are working for longer hours, taking on the work once done by laid off colleagues, meeting tighter deadlines and cutting back on expenses are some of the causes of stress. Combined to this with the double in family demands of monthly mortgages, childcare issues and aging parents and the result for many is anxiety, sleeplessness, irritability, and physical and mental deterioration. Perhaps these are the potential reasons for stress in the employees. Let us first learn what is stress?

In the words of Fred Luthans, stress is defined as an adaptive response to an external situation that results in physical, psychological, and for behavioural deviations for organisational participants. Ivancevich and Matteson define stress as the interaction of the individual with the environment. Schuler defines stress as a dynamic condition in which an individual is confronted with an opportunity, constraint, or demand related to what he or she desires and for which the outcome is perceived to be both uncertain and important.

Features of Stress

- 1) Stress is both psychological and physical aspect.
- 2) It is common to both the genders.
- 3) It results from the deviation of expectations from actual situation.
- 4) It is symptomatic. Potential stress appears with the symptoms. If potential stress is ignored it leads to actual stress.
- 5) Stress- is treated to be negatives nevertheless it has positive consequences. This is called as eustress.

- 6) Stress is an interactive concept. It does not come from the internal organs of the individual. It comes from the interaction of the human being with the environment. Thus, environment has a profound influence on the stress. Stress is a generic term. If it is applied to the context of organisation, it is known as work stress or job stress..
- 7) Stress occurs only when the human being feels mediation of the internal or external factors.
- 8) Stress is related to the attitude of the person. Stress does not occur when the person is having an indifferent attitude to the opportunity.
- 9) Stress is associated with certain common biological disorders such as heart attack, stroke, diabetic, blood pressure, neurological disorders etc.

The stress is caused when a person has needs, desires, wishes and expectations and certain forces prevent the person from doing the desired activities.

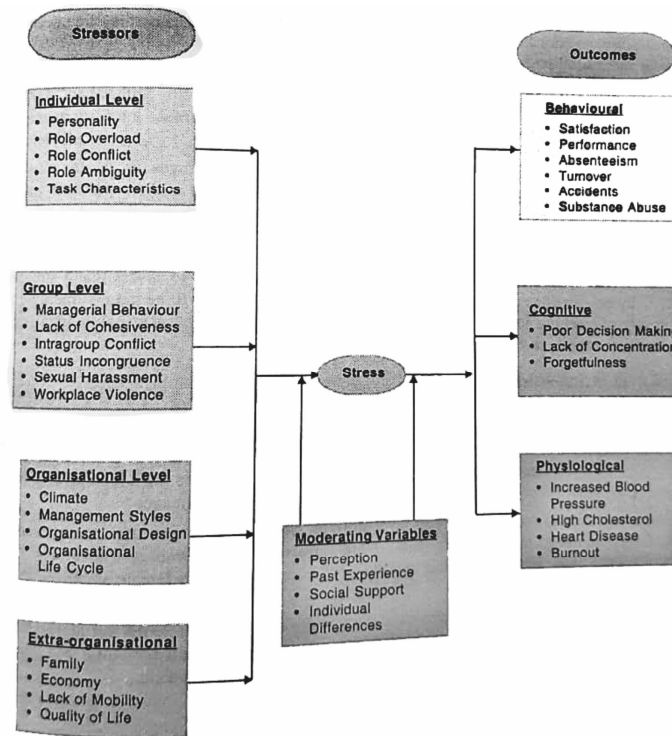
Stress and anxiety are not similar concepts. Anxiety occurs as a result of emotions caused by the interactions of environmental stimuli. Thus, it is confined to the psychological disturbance. On the other hand, stress is originated by the psychological tensions and slowly leads to physical or biological breakdown. While stress is accompanied by anxiety, the latter need not always lead to stress.

Similarly, stress and burnout are different concepts. Prolonged stress leads to burnout. It is a state of mind. It results from a continuous feeling of emotional stress. An individual feels physical, mental and emotional exhaustion. Job burnout is characterised by emotional exhaustion, depersonalisation and diminished personal accomplishment. Burnout is also closely associated with the so called helping professions such as nursing, education, and social work.

20.11 CAUSES OF STRESS

Stress is a psychological state of imbalance coupled with biological disorder. Individual experiences deviation in his biological system which is called potential stress.

Potential stress moderated by individual, organisational and environmental variable loads to actual stress. The variables that convert potential stress into actual stress are known as stressors. Thus, stressors can be intra-organisational and extra-organisational. Intra-organisational stress arises out of individual, group and organisational factors. Extra-organisational factors relate to environment of the organisation. The intra



organisational factors causing stress are divided into individual factors and organisational factors. Let us learn them in detail.

1. Intra Organisational Factors-

Individual Factors: Individual factors, which cause stress include personality and individual differences, family problems, economic problems, life styles and role demands.

a. **Personality and individual differences** individual basic dispositions are the main reason for potential stress. Introversion, extroversion, masculinity, rigidity, locus of control, personal life, demographic differences such as age, health, education and occupation are some of the reasons causing stress in individuals. It is found that type A personality is prone to more stress than type B personality. Type A personality is characterised by emotion and sensitivity to organisation goals, competitive spirit and achievement oriented behaviour. This leads to frustration even for small deviations from the expectations, thus feeling of more stress. Type B personality is typically relaxed, carefree, patient and less serious in achieving objectives. Thus, he never feels

stress. Some propositions of personality and individual stress are

- Age is positively related to stress. When a person grows older, his expectations also go up. If he is unable to find avenues for realizing expectations, he feels stress.
- Sound health enables a person to cope up stress better than unsound health.
- Education and health are related positively and negatively. Better education provides an opportunity to understand things in a better manner. Even the level of maturity increases with better education. So better educated persons are less prone to stress. Poorly educated people in relation to the jobs are likely to feel more stress due to the poor adaptability on the jobs.
- The nature of the occupation and stress are related. Certain occupations are inherently stressful than the other occupations. For instance, doctors, lawyers, politicians etc. At the same time occupation also gives enough stress tolerance ability. Politicians are found to possess more stress tolerance ability.
- Strong urge for satisfaction of needs compel people to over work and may lead to stress.
- Greater degree of locus of control leads to stress. A person is less likely to feel stress as he believes that he can exercise control over external factors.
- Self-efficacy and stress are negatively related. Higher degree of self-efficacy elevates motivation levels. Therefore people with greater self-efficacy remain calm and effectively face stressful situation. Perception of capacity to bring changes provides greater ability to withstand stress.
- Another personal disposition related to stress is psychological hardiness. Hardiness is the ability to withstand provocation from others. People with greater psychological hardiness are able to survive and withstand stressful environment. For instance, people who remain calm even at the provocation of others and ignore the esteem are less likely to feel stress.

Individual differences in perception, job experiences, social support, hostility etc. are some of the reasons that cause stress.

- Perception helps in understanding the environment. Person possessing positive perception understands reality and appraises the events objectively. Thus, he feels less stress.
- Job experience and stress are negatively related. As one gains experience he develops adaptability to various job and organisational demands. He realises the job expectations. He develops a mechanism to deal with stress situations; Therefore more experienced people remain cool, calm, and ignore stressors than young and inexperienced employees.
- Hostility and aggressive behaviour is positively related to stress. A person who becomes aggressive and gets quick anger is cynical and does not trust others. He feels more stress than others who are cool and calm.

b. Family Problems: Family issues influence the personal life of individuals. Sound- marital relationships, marital discipline, early and healthy children may lead to happy personal life. They enjoy the life and become positive in their attitudes. On the other hand, poor marital relationships, nagging wife, family separations, extra marital relationships, disturbing children, poor settlement of family members, aging parents, dual working couple, death of spouse or other close family member are some of the reasons for greater stress in the individuals.

c. Economic Problems- Economic difficulties are the main cause of stress. Poor management of personal finances, heavy family expenditure, and constant demand for money, poor-income earning-capacity and slow-financial growth in the job are some of the economic reasons responsible for greater stress. For instance, an increasing family expenditure, increased expenditure on children education and health create heavy demand for income. This creates greater stress in the individuals.

d. Life Styles- Life Styles of individuals can cause stress. The following situation of life style cause stress;

- Sedentary life styles cause greater stress.
- Individuals experiencing certain unique situations may be compelled to alter their attitude, emotions and behaviour. These are known as life/trauma. Life trauma is potential reason for stress.
- Faster career changes bring more responsibilities to the individuals. Persons occupying higher positions in the younger age are likely to get heart attacks due to greater stress. This is because of inability to adapt to the new carrier responsibilities.
- Role Demands- Individuals play multiple roles in their personal life and organisations. In their personal life, they play the roles of family head, husband, father, brother and son In social life they play the roles of club members, informal community group members, members of recreation groups, religious groups and a number of other social groups Similarly in organisation employees play the role of superior, subordinate, co worker, union leader, informal group leaders etc incidentally, all these roles are performed simultaneously. Thus, they cause anxiety and emotion. Another potential reason is role conflict. It arises because of poor role perception, role ambiguity, role overload and role overlapping Role ambiguity and stress are positively related. The greater the role conflict, individual experiences more stress

Organisational Factors:An organisation is a combination of resources, goals, strategies, and policies In order to make people to work, organisations create structure, process and working conditions In modern organisations, number of factors create an environment of stress. The changing environmental dynamics, globalisation organisational adjustments like mergers and acquisitions lead to stress among employees. In addition, a number of internal organisational factors cause employee stress. Some of them are poor working conditions, strained labour management relations, disputed resource allocations, co-employee behaviour, organisational design and policies, unpleasant leadership styles of the bogs, misunderstandings in organisational communication, bureaucratic controls, improper motivation, job dissatisfaction, and less attention to merit and seniority Let us learn the organisational stressors in detail.

- i. Working Conditions-** Working conditions and stress are inversely related. Employees working with poor working conditions are subject to greater stress. The factors that lead to more stress are crowded work areas, dust, heat, noise, polluted air, strong odour due to toxic chemicals, radiation, poor ventilation, unsafe and dangerous conditions, lack of privacy etc.
- ii. Organisational Tasks-** Organisational tasks are designed to meet the objectives and goals. Poorly designed tasks lead to greater stress. Task autonomy, task inter-dependency, task demands, task overload are some of the potential reasons for stress in organisations. For instance, greater the task interdependence, greater is the coordination required. This requires employees to adjust themselves to coworkers, superiors, and subordinates, irrespective of their willingness. They are expected to communicate, coordinate, exchange views, with other people irrespective of gender, religion and political differences. Lack of adjustment and poor tolerance to others lead to greater degree of stress.
- iii. Administrative Policies and Strategies-** Employee's stress is related to certain strategies followed by the organisation. Downsizing, competing pressure, unfair pay structures, rigidity in rules, job rotation and ambiguous policies are some of the reasons for stress in organisations.
- iv. Organisational Structure and Design-** As pointed out earlier, organisational structure is designed to facilitate individual's interaction in the realisation of goals. Certain aspects of design like specialisation, centralisation, line and staff relationships, span of control, and organisation communication can severely create stress in organisations. For example, wider span of management compels the executive to manage large number of subordinates. This may create greater stress. Similarly, frequent line and staff conflict lead to obstacles in the work performance. Inability to resolve the conflicts lead to stress.

v. Organisation Process and Styles- A number of organisational processes are designed for meeting organisational goals. Communication process, control process, decision making process, promotion process, performance appraisal process, etc. are designed for realising organisational objectives. These processes limit the scope of functioning of employees. Improper design of various organisational processes leads to strained relationships among the employees. They may also cause demotivation and job dissatisfaction. Consequently employee feels stress in adapting to the processes.

vi. Organisational Leaderships- Top management is responsible for creation of a sound organisation climate and culture by appropriate managerial style. The climate provided should be free of tensions, fear, and anxiety. Authoritarian leadership style creates a directive environment in which employees are pressurised to attain targets. They work under impersonal relationships and tight controls. This creates greater work stress to employees. On the other hand, a climate of warm and friendliness, scope for participation in decision making, non financial motivation and flexibility are encouraged under democratic leadership style. This relieves stress in the employees. Therefore, employees working under authoritarian leadership styles experience stress than employees working under democratic leadership style.

vii. Organisational Life Cycle- Every organisation moves through four phases of organisational life cycle. They are birth, growth, maturity and decline. In each of these stages the structure and the design of organisation undergoes frequent changes. In addition, human beings are subject to metamorphosis to adapt to the stages in the life cycle. In this process, employees are subject to job stress. For instance in the initial stages of organisational birth, stress is caused because of ambiguous policies and designs. In the growth stage, employees experience stress due to failure to meet conflicting demands. At the time of decline, stress is caused due to downsizing, retrenchment and loss of financial rewards and changing organisational systems.

viii. Group Dynamics- Groups are omnipresent in organisations. Groups arise out of inherent desire of human beings and spontaneous reactions of people. In organisations both formal groups and informal groups exist. A formal group exists in the form of committees, informal groups exist among different levels of organisation. Groups have a number of functional and dysfunctional consequences. They provide social support and satisfaction, which is helpful in relieving stress. At the same time, they become the source of stress also, lack of cohesiveness, lack of social supports, lack of recognition by the group and incompatible goals cause stress. Thus a number of organisational factors cause stress in the individuals. Now let us learn about the extra-organisational factors.

2. Extra-Organisational Factors

Environmental Factors: Environmental factors are extra-organisational. Nevertheless, they create job stress in the individuals. These are internal and external factors. Most of the internal factors relate to the organisation goals, management systems, structure, processes and design of organisations. They are discussed in the preceding section. External environmental factors relate to the general environment of the organisation. They are political, economical, technological, legal, ecological, governmental, social, cultural and ethical. Certain propositions describing the impact of environment on stress are presented below:

- i. The political party in power as per their ideology enacts legislation in the

Parliament. As the new, laws and regulations are enacted by the new political party; the political changes bring uncertainty in the environment. This compels employees to adapt to the new legal order. This creates stress.

- ii. Economic environment deals with income levels, demand and supply, inflation etc. Changes in these factors may require more work or better strategy to cope up with the environment. This creates stress when the employees are unable to adjust to the new situations. For instance, increase in inflation levels creates pressures on the employee income levels leading to stress.
- iii. Technological changes bring new methods of production and of handling the organisational tasks. Employees are required to learn new skills in order to discharge their jobs effectively. Unable to cope up with the new technology creates stress in the employees. For example, bank employees felt stress when the bank management decided to introduce computers.
- iv. Legal environment consists of complex web of laws and regulation intended to control the business operations. Organisations are required to follow the legal provisions otherwise they are subject to prosecution. Practical difficulties arise in the implementation of the legislative framework. Employees who are unable to respond properly to the laws and regulations find themselves in stressful situation.
- v. The government is enacting legislation to protect the ecological environment in the country. Organisations are compelled to adapt to the legislative framework protecting the ecological environment. Protecting the ecological balance becomes a cause for potential stress
- vi. Government Administration is composed of the-administrative machinery and institutions that enforce the laws, regulations, policies, and other government instructions. The bureaucratic practices of the administrative machinery can create stress in the executives.

- vii. Social, cultural and ethical environment can bring stress in the individuals. Social factors influence the life styles of employees. Certain social security measures such as health protection, civic facilities and social groups reduce stress in the employees. Certain sociological variables such as race, sex, social gender etc and cultural factors such as beliefs, customs and traditions cause potential stress.

20.12 EFFECTS AND COPING STRATEGIES FOR STRESS

Effects of Stress

An individual experiences stress through psychological emotions and is disseminated through physiological breakdown or biological changes. However stress not negative always Stress has also positive consequences. The positive of stress is known as eustress. The increase in it leads to secretion of juices from body glands that will increase the anxiety for achievement. Achievement motivation comes from deep intention, mild inner urge, fire and feeling of restlessness to achieve objectives. Stress helps in the development of people too. In its mild stage it enhances job performance, leads to excellence and provides impetus to work hard and perform better. Individuals involved in the discharge of professional oriented jobs, jobs involving creativity, challenge, interpersonal communications and certain managerial jobs, will be benefited by stress, which leads to positive performances. However jobs involving physical effort do not get benefit out of stress. As indicated above mild levels of stress increases job performance. It stimulates body and increases reactivity. Thus, individuals perform tasks better and in a rapid way. Inverted-U relationship illustrates this phenomenon. Some positive consequences are: increased productivity, positive response to target, development of proper perception in the decision making, increased motivation and performance, increased adaptability to change and increased quality of job performance. For instance, employee experiencing a moderate stress of repetitiveness on the job finds new ways of discharging jobs. Thus, stress promotes creativity in the employees. However, in the modern organisations the negative consequences of stress are creating more problems As pointed out by Schuler, Khan

and Byosiyere, stress leads to high blood pressure, ulcer, cancer, accident proneness and irritation. Though there is no perfect association between stress and its consequences, stress itself demonstrates into physiological, psychological, behavioural, job and consequences. The positive and negative consequences are discussed below:

Physiological Consequences- Stress influences the biologic system of human being. Certain visible forms of stress are increased blood pressure, proneness to heart disease, cancer, sweating, dry mouth, hot and cold flashes, frustration, anxiety, depression, increased level of cholesterol, ulcer, arthritis etc. Physical stress increases the body metabolic rate. This results into malfunctioning of internal gland and consequently the body disorder. This is felt in the form of increasing heart beating, increase in breathing rate and headache. This biological illness in physical stress also creates psychological problems. In fact, physical stress and physiological disorders are interrelated. However, physical disorders and stress always need not associate positively. This is because of complexity of symptoms of physical stress and lack of objective measurement of impact of stress on bodily disorders.

Psychological consequences are interrelated to biological consequences. They are invisible, but affect the employees job performance. Psychological stress creates a pressure on human brain. This is expressed in terms of certain psychological symptoms such as anger, anxiety, depression,, nervousness, irritation, tension, boredom, aggressiveness, moodiness, hostility and poor concentration. Tensions, anxiety, and emotions lead to procrastination. Psychological stress produces interpersonal aggressions, misunderstanding in communication, poor interpersonal communication and low interpersonal attraction. This is demonstrated through aggressive actions like sabotage, increased interpersonal complaints, poor job performance lowered self-esteem increased resentment, low concentration on the job and increased 'dissatisfaction. Psychological stress produces harshness in the behaviour and may lead to assumption of authoritarian leadership style by the superior executive.

Behavioural Consequences: Stress has an impact on employee's behaviour.

An abnormal behaviour is observed in those individuals who are prone to stress. A change in eating habits, keep disorder, increased smoking, alcoholism, fidgeting and aloofness are some of the behavioural changes observed in stressful employees. Sometimes stress leads to anxiety, apathy, depression and emotional disorder. This leads to impulsive and aggressive behaviour and frequent interpersonal conflicts. Under eating, overeating, drug abuse and sleeplessness are some of the behavioural consequences. The following are some propositions relating to stress and behaviour:

i) Perception- Stressful individuals develop tension and-anxiety. As a result, their level of understanding considerably decreases When perceptual distortions occur in the employees, it may adversely affect decision making process, interpersonal understanding, interpersonal communication and capacity to work with groups. They become stress intolerable. All these lead to increased levels of interpersonal conflicts.

ii) Attitudes- Continued stressful environment creates certain permanent negative impressions in the mind of the employees. These permanent impressions adversely influence their work performance. For example, an employee developing a negative attitude on work, superior, working conditions, organisational climate and culture intentionally decreases his output. He also becomes demoralised and the motivation level decreases.

iii) Learning- Employees in organisations continuously learn new skills and techniques. Learning new methods and techniques to adapt themselves and discharge their jobs effectively is inevitable to employees. Stressful employees can not learn the things quickly.

Organisational Consequences- Stress has negative impact on the performance of the job. Organisations face the problems of poor performance and other negative consequences. Some of them are described below:

i) Absenteeism: Employees subject to stress were found to addict to drugs and alcohol. Thus, they abstain from the jobs frequently. This creates discontinuity in the jobs and adversely effect performance of other employees.

- ii) **Turnover-** Turnover and stress have shown some relationships. An employee 'experiencing continued Stress develops disgust and frustration. Therefore, they are likely to change their jobs.
- iii) **Decision-Making-** Excessive stress distorts perception of managers. This adversely effects their capacity to take decision. Thus, stressful executives become irrational in the decision making. This leads to loss of Organisational resources and reputation.
- iv) **Disturbed Customer Relationships-** Employees experiencing excessive stress develop irritation, loses emotional stability and emotional tolerance. Intolerance impels them to pick up conflicts easily due to misunderstandings.. Employees dealing with the customers and the public disturb relationship due to their impatient behaviour. For instance sales persons, bank employees, public relation executives are required to be more emotionally stable. Otherwise, customers dealing with them will have trouble in dealing with the company. This also creates poor impression on the corporate image of the organisation.

The consequences of stress are multifaceted. Stress has a vicious circle of the consequences of the stress are interdependent. One has roots into the for instance, psychological consequences result in physiological disorders, the later will produce behavioural consequences and ultimately the organisation suffers from adverse effects. The ill effects of stress are more dangerous. Addictive drinking alcohol narcotic drugs, perverted sex, atrocities on women and children, criminal attitude, terrorism and indecent behaviour are some of the social consequences of stress. It is in this context that stress received of the. organisations, psychologists and the medical practitioners in receipt of strategies exist to overcome stress. Most of them suggest leading a peaceful calm and regulated life. Interestingly people overlook their life styles and suffer from stress. However, stress is not difficult to overcome.

Coping Strategies for Stress

Stress management has assumed greater importance in the modern

organisations. More than organisations, individuals are concerned with the stress reduction. As the saying goes 'prevention is better than cure', prevention of stress is better than attempting to cure stress. This is because stress once experienced has 'negative. consequences. Though employee possesses negative perception of stress, there is a need to induce moderate levels of stress for better performance. The question arises what should be the acceptable levels of stress? More over, there is a wide gap between theoretical and actual practice of stress management. For instance, practicing yoga early in the morning and doing exercise is considered very effective way of fighting stress However, how many people really sacrifice morning comfortable sleep for the sake of yoga and exercises. When a problem occurs, people resort to yoga. Otherwise, they feel that taking allopathic medicine is easy than yoga and exercises.

Individual and organisational stimuli causes stress, and the implications are more negative at individual and organisational levels. It needs to be managed both by adopting individual and organisational strategies. The individual management techniques are more popular than organisational management techniques. Let us learn the strategies of stress management in detail.

1. Individual Managemet

Individuals assume automatic and look for ways and means of dealing with their stress. Individuals are more concerned about their health; There is an increasing rate of health clinics and health consciousness observed in recent times. Following are some of the techniques which individuals can adopt for reducing stress:

i. Time Management- Time management and stress are inversely related. Improper and poor management of time are the root cause of a greater degree of stress. Improper and inadequate utilisation of time cause anxiety. The following principles of time management can help in combating stress.

- Identifying and listing of daily activities in a logical order.
- Arranging the activities of the day based on importance and urgency.

- Preparing logical schedule of activities.
- Analysing and understanding the daily cycle and nature of the job.
- Allocating time properly to various activities based on time demands.
- Delegating minor tasks to the subordinates in order to make use of the time in a better manner.
- Discouraging unwanted visitors.
- Setting unfinished tasks on the top of list for tomorrow.

ii. Physical Management- Management of stress relates to understanding one's own biological and body conditions. Examining hereditary characteristics habits like smoking and drinking, life styles and body conditions help in understanding one's physiological conditions. Overcoming stress is possible with managing physiological relaxation Physical exercises greatly help in relieving tension and stress When body is conditioned with physical exercise, oxygen is inhaled properly and blood circulation increases This promotes healthy secretions from glands and the supply of blood to all the parts of the body keeps every organ active Consequently, immunity to withstand stress increases. Physical exercises could be reactive or proactive. Non competitive physical exercises like walking, jogging, swimming, riding, aerobics and playing games considerably increases heart capacity, provide mental diversion from work pressures and increases heart capacity to withstand stressful situations. The chances of heart attack, adverse blood pressure and diabetics reduces.

iii. Psychological Management- Most of the stresses arise because of psychological tensions. Therefore, it is suggested that managing psychological activities lead to effective management of stress. The following are some of the psychological management- techniques.

iv. Relaxation- Relaxation of mind through meditation, hypnosis and biofeedback can effectively reduce mental tensions. Meditation involve Silently sitting on the ground taking deep inhalation and chanting mantra. This takes the mind into deep relaxation.

This technique relaxes muscles and mind. It also brings significant changes in heart rate, blood pressure lung capacity and other biological organs of the body. Transcendental Meditation, Soul management, Atma yoga, Anthahakarana, Silence sitting posture, Shavasana, Bhavathetha meditation a praying the God are some of the relaxation techniques practiced for reducing stress.

v. Behavioural Self-control- Stress also results from behavioural disorder. Exercising proper control over behaviour in dealing with others can bring down the chance of stress. Self-introspection brings Self-awareness other individual. Similarly knowing the antecedents and consequences of own behaviour enables behavioural self control Stress can be relaxed by developing proper perception, practicing good listening, maintaining calm and tension free mind empathy and positive attitude are some of the behavioural self control techniques.

vi. Cognitive Therapy- It is a technique of clinical psychology. Cognitive therapy involves knowing ones' own emotions to release anxiety and tension. In this technique, people are made to understand the reasons causing stress in them by the process of self-observation. For example if an employee develops a feeling that he is incompetent to handle .a new job counselling is provided to develop a confidence of competence to handle all the new jobs. Thus, with the help of cognitive therapy a positive impact is created for the mental satisfaction. Cognitive therapy enables people to exercise self-control for relaxing stress.

vii. Yogic Management- In recent times, yoga is an effective technique of relieving stress. Yoga practice involves Asana, Pranayama, Mudra and Kriya. Practicing a number of yogasana relaxes muscles, reduces blood-pressure, controls asthma, relieves neurological problems, improves lungs capacity, enhances proper flow of blood and helps relax tensions and strains.

viii. Social Management: Developing good social networks involves grouping of people who are good and confident builders. This increase social support to individuals Encouraging informal groups to share information without inhibitions, developing free exchange of views and distasteful experiences, promoting confidence of social support

decrease tensions and stress. Social clubs, recreation clubs, friendship clubs, informal gatherings, birthday parties, and family are some of the social networks that increase social support and reduce stress.

- ix. Self-awareness Management-** Self-awareness is similar to self-audit or personal audit. Managers are required to understand themselves in a free and fair manner. They should encourage open communication and are willing to listen to others especially on their deficiencies. Being aware of self is a difficult task, as individuals are unprepared to accept their defects.

iv. Inter Personal Management- One of the most successful techniques of stress management is developing inter personal understanding. Inter- personal communication, inter personal attraction and inter personal knowledge understanding of others behaviour. Most of the organisational stresses are created due to misunderstanding, organisational politics, setting one self-apart from others and encouraging unreliable comments. Thus, maintaining openness of common and valuing proper comment enable development of inter personal understanding. **Transactional Analysis, Johari Window and Grid techniques** help in the development of inter personal understanding and consequent relief from stress.

CHECK YOUR PROGRESS

- (i) Which of the following statements is true :
 - (1) In small quantities, stress is good (2) Too much stress is harmful
 - (3) All stress is bad (4) Only '1' & '2' are right
- (ii) Stress management is about learning
 - (1) How to avoid the pressures of life
 - (2) How to develop skills that would enhance our body's adjustment when we are subjected to the pressures of life
 - (3) Both '1' & '2' are true (4) None of the above
- (iii) Which of the following statements is true about stress management
 - (1) Stress management is learning about the connection between mind and body
 - (2) Stress management helps us control our health in a positive sense
 - (3) Stress management teaches us to avoid all kinds of stress
 - (4) Only '1' & '2' are right

Organisational Management

In modern organisations, human resources are vital resources. Most of the organisational stresses are caused by the structure and design of the organisation, policies, programs and procedure of the administration and due to managerial styles and strategies. Thus organisations are interested in finding out the organisational stressors and remove them as far as possible. Organisations adopt the following techniques of stress management.

- i) Selection and Placement Policy-** Stress and personality characteristics of employees are closely related. Thus selecting the employees by a proper personality fit suitable to jobs minimise the chance of stress in the individuals. For instance a sales person jobs requires extensive travelling rather than

experience. If a person having a poor attitude of travelling is selected, he is likely to experience more stress in performing the job. Therefore, proper recruitment and selection policy should be followed by the organisation to reduce stress.

- ii) **Goal Setting-** Ambiguity, lack of proper perception of goals, and unattainable goals cause stress in individuals. Therefore organisations should follow a strategy of participation in goal setting to provide motivation, reduce frustration and ambiguity of goals. Management by Objectives (MBO) is an appropriate technique of goal setting which reduces stress.
- iii) **Job Enrichment and Job Design-** Job enrichment provides motivation to the employees. It enriches job factors such as responsibility, recognition, and opportunity for advancement growth and self esteem. Routine unstructured and poorly designed jobs cause greater stress in individuals. Job redesign provides more responsibility, more meaningful work, more autonomy and increased feedback.
- iv) **Role. Clarity :** Organisational stress, is associated with role ambiguity, role overlap, lack of role clarity and role conflict. Proper role definition helps employees understand their role in organisation and appraise interpersonal roles. This reduces the chance of role conflict and increases role compatibility. This eliminates stress in the individuals. Wherever role conflict arises, counselling and negotiation can be used to resolve inter- personal role conflict to avoid stressful situations.
- v) **Communication and Counselling:** Barriers in communication are potential moderators of organisational stress. In organisations formal communication creates a number of problems of inter personal misunderstandings: Thus redesigning the formal communication channels can improve understanding and consequently reduce stress caused by communication bottlenecks. Counselling is exchange of ideas and views in a free and fair manner. It is intended to share problems of employees and cope up with the stressful

situation. Counselling consists of advice, reassurance, communication, and release of emotional tensions, clarified thinking and reorientation. The techniques of counselling are non-directive, participative and directive.

- vi) **Carrier Planning and Development-** Employees in general are free to plan their careers. However, organisations also aim at employee development. The employee development is aimed at the enrichment of skills and the development of personality for undertaking future managerial jobs. Stress is caused when employees expectations of their career in organisation are not fulfilled when employees get promotion without the development of corresponding skills. Organisations take less interest in career planning of the employees. Designing appropriate career plans, education programs programs and organisation development considerably reduce employee's stress.
- vii) **Democratic Leadership-** Democratic leaders create confidence in the subordinates and allow participation in the decision making process. They create an atmosphere of warmth, friendship, and supportive climate. Under such climate employees feel satisfied, motivated and psychologically. committed to the achievement of objectives. In addition, communication is open, conflicts are avoided and coordination improved. This enables employees to relieve stress and promote healthy work.
- viii) **Organisation Climate-** Organisation design is the basic reason for job stress. Bureaucratic, directive and ambiguous administration and poor organisational climate leads to greater stress. A sound organisation climate and culture characterised by sound administrative policy, good organisational communication, participative culture and supportive climate ensure reduction of stress.
- ix) **Wellness Programmes-** Programmes that focus on employee's physical and mental condition organised by the management are known as wellness programmes. As part of these programmes, workshops, seminars and