

Organization and Organizational Behaviour

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1.0 OBJECTIVES

After studying this chapter, you should be able to:

- ❖ Define Organizational Behaviour(OB)
- ❖ Explain the value of Systematic study of OB
- ❖ Identify the contributions made to OB by major disciplines of behavioural science.
- ❖ List the major challenges and opportunities for managers to use OB concepts.

1.1 INTRODUCTION

Organizations are found in all walks of life. Government offices, banks, schools, colleges, hospital, factories, shops, institutes, political parties and so on. This is necessary to carry on activities of each one of them. Organizing is a basic function of management. It refers to the process involving the identification and grouping of activities to be performed, defining and establishing the authority-responsibility relationship. This enables people to work most effectively together in achieving the organizational objectives.

In general, organizing consists of determining and arranging for men, materials, machines and money required by an enterprise for the attainment of its goals. In its operational sense, the term organizing means defining responsibilities of the employed people and the manner in which their activities are to be related. The final result of organizing is the creation of a structure of duties and responsibilities of persons in organizational different positions, grouping them according to the similarity, Behaviour and interrelated nature of activities. In brief, organizing process results in the outcome called “organization”, consisting of a group of people working together for the achievement of one or more common objectives.

1.2 ORGANIZATION

We will consider a few definitions of some authors. Money and Reiley: “Organization is the form of every human association for the attainment of a common purpose”. *Puffier* and *Sherwood*: “Organization is the pattern of ways in which large numbers of people have intimate face to face contact with all others, are engaged in a variety of tasks, relate themselves to each other in conscious, systematic establishment and accomplishment of mutually agreed purposes”.

The basic feature of any organization is the hierarchy of persons in it. It, therefore, distinguishes among different persons and decides who will be superior and the subordinate. All the organizations allow an unwritten rule that the subordinate cannot defy the orders of the superiors.

1.1.1 Need for Organization

We need organization to execute the management function. Study of organization has to be made necessarily for following reasons:

- a. It provides an ideal setting for the study of human behaviour. The study of organization leads to man's important discoveries that are vital for the continued well-being of the institutes particularly and the society in general.
- b. Knowledge of organization helps managers to effectively, know various things, such as how to run the organization and protect the environment needs, how to motivate run the organizational subordinates, how to manage conflicts, how to introduce behavioural changes and so on.
- c. Organizations pervade in all the important phases of man's life. A man is born in organizations (hospitals, clinics etc.); he is educated in organizations (schools, colleges etc.), and works in organization (factories, office etc.).

1.1.2 Process of Organizing

We have seen that the outcome of an organizing process is the 'Organization'. Organizing is the process by which managers bring order out of chaos and create proper conditions for effective teamwork. Organizing involves the following interrelated steps:

- a. **Objectives:** Every organization must have objectives. Therefore, every management essentially has to identify the objectives before starting any activity.
- b. **Activities:** Identifying and grouping several activities is an important process. If individuals of the groups are to pool their efforts effectively, there must be proper division of the major activities. Each and every job must be properly classified and grouped.
- c. **Duty:** Every individual needs to be allotted his duty. After classifying and grouping the activities into various jobs, they should be allotted to the individuals so that they perform them effectively. Every individual should be given a specific job to do according to his ability. He may also be given adequate responsibility to do the job allotted to him.
- d. **Relationship:** Many individuals work in an organization. It is the responsibility of management to lay down the structure of relationships in the organization and authority.
- e. **Integration:** All groups of activities must be properly integrated. This can be achieved in the following ways: through relationship of authority: horizontal, vertical or lateral.

The unity of objectives can be achieved along with teamwork and team spirit by the integration process of different activities.

1.3 ORGANIZATIONAL BEHAVIOUR

Each of us is a student of behaviour. We are aware that certain types of behaviour are linked to certain types of responsibilities. As we mature, we expand our observations to include the behaviour of others. We develop generalizations that help us to predict and explain what people do and will do. How accurate are these generalizations? Some may represent extremely sophisticated appraisals of behaviour and prove highly effective in explaining and predicting the behaviour of others. Most of us also carry about with us a number of beliefs that frequently fail to explain why people do what they do. As a result, a

systematic approach to the study of behaviour can improve an individual's explanatory and predictive abilities.

1.3.1 Importance

Organizational Behaviour (OB) is a study involving the impact of individuals, group and structure or behaviour within the organization. This study is useful for the effective working of an organization. It is a study of what people do within an organization and how their behaviour affects the performance of an organization. Organizational Behaviour is concerned mainly with employment related matters such as job, work, leaves, turnover, productivity, human performance and management. Organizational Behaviour also includes the core topics like motivation, leader behaviour and power, interpersonal communication, group structure and process, learning attitude, perception, conflicts, work design and work stress.

Organizational Behaviour introduces you to a comprehensive set of concepts and theories, it has to deal with a lot of commonly accepted 'facts' about human behaviour and organizations that have been acquired over the years, like "you can teach an old dog new tricks". "Two heads are better than one". These facts are not necessarily true. Then one off-line objective of Organizational Behaviour is to replace popularly held notions.

Organization Behaviour does offer challenges and opportunities for managers since it focuses on ways and means to improve productivity, minimize absenteeism, increase employee job satisfaction, etc. Organization Behaviour can offer managers guidance in creating an ethical work climate. This is because organizational behaviour can improve prediction of behaviour.

1.3.2 Need for Organizational Behaviour

Organizational Behaviour is an applied behavioural science that is built on contribution from a number of other behavioural discipline like psychology, sociology, social psychology, anthropology and political science. Understanding Organizational Behaviour is becoming very important for managers. Due to global competition, it is becoming necessary for the employees to become more flexible and to cope with rapid changes. It is becoming challenging for the managers to use Organizational Behaviour concepts. Organizations are no longer constrained by national borders. Burger King is owned by a British firm, and McDonald's sell hamburgers in Moscow. Exaction Mobile, an American company receives 75% of its revenue from sales outside US. All the major automobile manufactures build their cars outside their border, for example, Honda builds cars in Ohio, USA, Ford in Brazil and Mercedes and BMW in South Africa. This shows that the world has become a global village. Hence, managers have to diversify work force. Work force diversity means the organizations are becoming more heterogeneous in terms of gender, race and ethnicity.

Diversity if managed positively, can increase creativity and innovation in organizations as well as improve decision making by providing different perspective on preplans. Quality management is driven by the constant attainment of customer satisfaction through continuous improvement of all organizational processes (productivity, absenteeism, turnover, job satisfaction and recently added fifth dependent variable is organizational citizenship).

1.3.3 Overall concept

Behaviour is generally predictable if we know how the person perceives the situation and what is important to him or her. An observer sees the behaviour as non-rational because he does not have the knowledge of the entire situation in the same way. However, predictability can be improved by replacing your intuition power by a more systematic approach.

The systematic approach consists of important suits and relationships and will provide a base for more accurate predictions of the behaviour. Systematic approach be-

holds a basic concept that behaviour is not random. It projects the individual's belief, concept and then interest, etc. there are differences in every individual and placed in similar situations they do not react alike. However, there are some fundamental consistencies in each individual's behaviour, which can be identified and modified to find out the individual differences. Systematic study means looking at relationships, attempting to attribute causes and effects and base our conclusions on scientific evidence. That is data gathered under controlled conditions and interpreted in a rigorous manner. Systematic study replaces intuition. Systematic approach does not mean that things that are believed in an unsystematic way are necessarily incorrect. Sometimes, research findings may also run counter to what you thought was common sense. The objective of systematic approach is to move away from intuitive views of behaviour towards a systematic analysis.

1.4 INTUITION AND SYSTEMATIC STUDY

The use of casual or common sense approaches for obtaining knowledge about human behaviour is inadequate. Underlying a systematic approach is the belief that behaviour is not random. It is caused and directed towards some end, which the individual believes, rightly or wrongly, in his or her best interest. Certainly there are differences between individuals. There are certain fundamental consistencies underlying the behaviour of all individuals that can be identified and used to alter conclusions based on individual differences. Behaviour is generally predictable and the systematic study of behaviour is a means to making reasonably accurate predictions. "Systematic study" means looking at relationship, attempting to attribute causes and effects, and base our conclusions, on scientific evidence, that is, on data gathered under controlled conditions and measured and interpreted in a reasonably rigorous manner. Systematic study replaces intuition or those "gut feelings" about "why I do what I do" and "what makes others tick".

1.5 ORGANIZATION AND ORGANIZATIONAL BEHAVIOUR

What is organizational behaviour? (Abbreviated as OB)

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 organization's effectiveness. It is a distinct area of expertise with a common body of knowledge. It studies 3 determinants of behaviour in organizations: individual, groups and structure. OB is also an applied field. It applies the knowledge gained about individuals, groups and the effect of structure on behaviour towards the end of making organizations work more effectively. OB is concerned with the study of what people do in an organization and how that behaviour affects the performance of the organization. OB includes the core topics of motivation, leader behaviour and power, interpersonal communication, group structure and process, learning, attitude development and perception, interpersonal change and conflict.

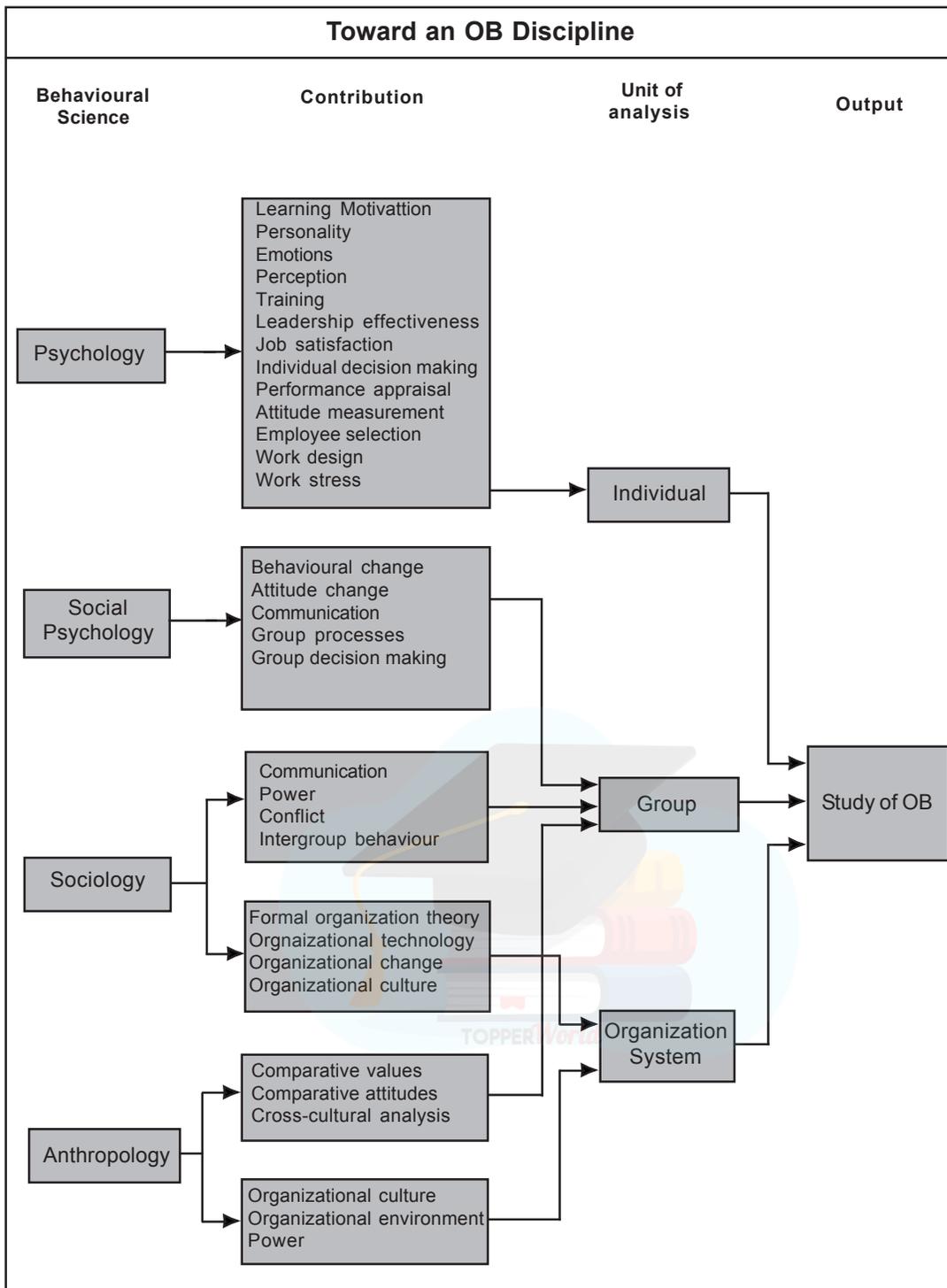
1.6 DISCIPLINE & ORGANIZATIONAL BEHAVIOUR

OB is applied as behavioural science and as a result, is built upon contributions from a number of behavioural disciplines. They can be illustrated by means of a diagram.

1.7 HISTORICAL EVOLUTION OF ORGANIZATIONAL BEHAVIOUR

By looking back at the history of organizational behavioural, you gain a great deal of insight into how the field got to where it is today. Three individuals are important who promoted ideas which had major influence in shaping the direction and boundaries of Organizational Behaviour (OB). They are: *Adam Smith*, *Charles Babbage* and *Robert Owen*.

Adam Smith, in his discussion made in "The Wealth of Nations" in 1776, brilliantly argued on the economic advantage that organization and society would reap from the division of labor — called work application in an industry. He illustrated it with the help



of an application in an industry. He concluded that division of labour raises the productivity by increasing each worker's skill and dexterity by saving time that is commonly lost in changing tasks and by encouraging the creation of labour saving inventions and machinery. The result of his theory was seen in 20th century in the form of extensive development of assembly — line production process.

Charles Babbage, a British mathematics professor, in his book, "On the Economy of machinery and manufacturer" published in 1832 added to Smith's list of the advantage that accrued from division of labor, the following:

- i. It reduces the time needed for learning a job.
- ii. It reduces the waste of material during the learning stage.

- iii. It allows for the attainment of high skill levels.
- iv. It allows a more careful matching of people's skills and physical abilities with specific tasks.

Babbage also proposed that the economics from specialization should be as relevant to doing mental work as physical labour. This is reflected in industry in the form of specialization in accounting, taxation, marketing and organizational behaviour.

Robert Owen, a Welsh entrepreneur, was one of the first industrialists to recognize how the growing factory system was demeaning workers. He argued that money spent on improving labour was one of the best investments that business executives can make. He argued for regulating hours of work for all, child labour too, public education, company furnished meals at work and business involvement in community projects.

1.7.1 Classical Era

It covered the period from 1900 to 1930 approximately when the first general theory of management began to evolve. The major contributors were Fredric Taylor, Henry Fayol, Max Weber, Mary Parker Follett and Chester Barnard.

1.7.2 Scientific Management

It was Fredric Taylor who noticed that employees use vastly different techniques to do the same job — which he improved. At his time, there were no clear responsibilities laid for workers and management. The work done by workers was very slow. Worker's output never matched their abilities and attitudes. No effective work standards existed. Taylor made a mental revolution among both the workers and management by defining clear guidelines for improving production efficiency. The four principles of management that he defined are as follows:

- a. Develop a science for each element of an individual.
- b. Scientifically select, train, teach and develop the worker.
- c. Co-operate with the workers heartily so as to ensure that all work to be done is in accordance with the principles of the science that has been developed.
- d. Divide work and responsibility almost equally between management and workers.

1.7.3 Administrative Theory

The administrative theory describes efforts to define the universal functions that managers perform and principles that constitutes good management practices. The major contribution to this theory was that of a French industrialist. **Henry Fayol**

Fayol proposed that all managers perform five management functions: Planning, Organizing, Commanding, Co-ordinating and Controlling. In addition, he described the practice of management as something distinct from accounting, finance, production, distribution and so on. He proposed 14 principles of management as below:

- i. **Division of labour** : Specialization increases output by making employees more efficient.
- ii. **Authority**: Authority gives management the right to order. Authority goes with responsibility.
- iii. **Discipline**: Employee must obey and respect the rules. Good discipline is the result of effective leadership.

- iv. **Unity of command:** Every employee should receive communication from only one person.
- v. **Unity of direction:** Each group of organizational activities that have the same objective should be divided by one manager using one plan.
- vi. **Remuneration:** Wages paid to workers should be fair.
- vii. **Subordination of individual interest:** The interest of any one employee or group should not take precedence over the interests of the organization as a whole.
- viii. **Centralisation:** The optimum degree of centralization should be maintained for each situation.
- ix. **Scalar chain:** The Scalar chain measures the line of authority from top management to the lowest ranks. Communication should follow this chain.
- x. **Order.** Material and people should be in the right place at the right time.
- xi. **Equity:** Managers should be kind and fair to their subordinates.
- xii. **Stability:** High employee turnover is inefficient. Management should provide personnel planning and ensure replacements.
- xiii. **Initiative:** Employee allowed to originate and carry out plans will exert high levels of effort.
- xiv. **Esprit-de-corps:** Promoting team spirit will build harmony and unity within the organization.

1.7.4 Structural theory

Simultaneously, the German sociologist Max Weber developed a theory of authority structures and described organizational activity as based on authority relation. He was one who looked at management and organizational behaviour from a structural perspective. Weber described an ideal type of organization that he called a bureaucracy. The detail features of his ideal bureaucratic structure are as follows:

- i. Job — specialization: Jobs are broken into simple, routine and well defined tasks.
- ii. Authority hierarchy: Positions are organized in a hierarchy, each lower one controlled by and supervised by a higher one.
- iii. Formal selection: All organization members be selected on the basis of technical qualifications demonstrated by training, education or exams.
- iv. Rules and regulations.- To ensure uniformity and to regulate the actions of employees, managers must depend upon company's rules.
- v. Impersonality.- Rules and controls are applied uniformly. Avoiding involvement of personalities and personnel preferences.
- vi. Career orientation: Managers are professionals and not owners of units they manage. They work for fixed salaries and pursue their careers within their organizations.

1.7.5 'Social Man' Theory

Taylor, Fayol and Weber could be faulted for forgetting that, human beings who are the core for every organization and humans are social animals. *Mary Parker Follett and Chester Barnard* saw the importance of the social aspect of organizations. Their ideas, though born in scientific management, did not achieve any large degree of recognition until 1930's. Mary first recognized that, organization could be viewed from the perspective

of individual and group behaviour. Her humanistic ideas have influenced the way we look at motivation, leadership, power and authority today. The Japanese put a lot of stress on group togetherness. On the other hand, *Barnard* saw organizations as social systems that require human co-operation. *Barnard* maintained that success depends on maintaining good relations with people and introduced the idea that managers had to examine the environment and then adjust the organization to maintain the state of equilibrium.

1.7.6 Behavioural Era

“The people side” of organization comes into its own during the period known as behavioural era’. This era was marked by human relations movement and widespread application of behavioural research. The era saw two events. The birth of Personnel officer and the Creation of industrial Psychology’. The Wages act of 1935 — known to be Magna Carta of labour was passed in the U.S.A. It legitimized the role of trade unions and encouraged rapid growth in union membership which opened new avenues to improve handling labor. This saw that the essence of human relations movement is the belief that the key to higher productivity is in increasing labor satisfaction. Three persons are important who conveyed the message that human relations are most important. They were: Dale Carnegie, Abraham Maslow and Douglas McGregor.

Dale Carnegie through his book ‘How to Win Friends And Influence People’ conveyed the theme that the way to success was through winning co-operation of others. His main advice was:

- i. To make others feel important through sincere appreciation of their efforts.
- ii. To strive to make good first impression.
- iii. Win people to their way of thinking by letting others do the talking and never telling a man he is wrong.
- iv. Change people by praising their good traits and giving the leader the opportunity to seek face.

Maslow proposed a theoretical hierarchy of five Needs: Physiological, Safety, Social, esteem and self-actualisation. He advocated the need of satisfaction of each before turning to the next one. He believed that self- actualization — that is, achieving one’s full potential — was the summit of a human beings existence. Managers who accepted his theory, altered their organizations and management practices.

McGregor is best known for his formulation of two sets of assumptions — known as Theory X and Theory Y. The former assumes that people have little ambition, dislike work, want to avoid responsibility and need to be closely directed to work effectively. The latter assumes that people can exercise self-direction, accept responsibility and consider work to be as natural as rest or play. McGregor believed that theory Y assumptions better captured the true nature of workers and guided management better.

Jacob Moreno created analytical technique called goniometry for studying group interactions. He constructed Sociogram that identified attraction, repulsion and indifference patterns among group members.

BF Skinner : His research had a significant effect on the design of organizational training programs and reward system. He found that people will most likely engage in desired behaviour if they are rewarded for doing so, These rewards are more effective if they immediately follow the desired response, and behaviour that is not rewarded, or is punished, is less likely to be repeated.

David McMillan: Research has been instrumental in helping organization better to match people with jobs and in redesigning jobs for higher achievers to reanimate their motivation potential. He was able to differentiate people with a high need to achieve —

individuals who had a strong desire to succeed or achieve in relation to a set of Standard — from people with a low needs to achieve.

Fred Fiedler developed a comprehensive theory of Leadership. he developed a questionnaire to measure individuals inherent leadership characters and identified what type of leadership behaviour is most effective.

Fredrick Herzberg work had a lion's contribution. His work sought an answer to a question of what individuals want from their job? He concluded that people want the job. Creation of jobs might not motivate people. If managers want to motivate workers, they should redesign jobs to allow workers to perform more and varied tasks. The current interest in enriching jobs and improving the quality of work- life can be traced to Herzberg's research.

J. Richard Hackman and Greg Oldham in 1970 explained how job factors influenced employee motivation and satisfaction. Their research also uncovered the core job dimensions-skill variety, task identity, task significance, authority and feedback.

Organization Behaviour Today

We learn over a period of many years that, organizational behaviour must be studied and applied in a contingency framework. The most popular OB topics for research investigation currently have been connected with theories of motivation and leadership, work design and/or satisfaction. At present, the emphasis should be on refining existing theories, clarifying previous assumptions and identifying relevant contingency variables. The current research essentially reflects maturing of OB as a scientific discipline.

1.8 ORGANIZATIONAL BEHAVIOUR MODELS

Every organization develops a particular model in which behaviour of the people takes place. This model is developed on the basis of management's assumptions about people and the vision of the management. Since these assumptions vary to a great extent, these result into the development of different organizational behaviour models (OB models). From the very beginning of the civilized human society, two alternative approaches have been adopted for placing trust on people. One says "trust everyone unless there is a contrary evidence": another says "do not trust anyone unless there is a contrary evidence". Naturally, interpersonal interactions take place differently under these two approaches. Following description of the organizations is worth while to note here:

"Most of our originations tend to be arranged on the assumption that people cannot be trusted or relied on, even in tiny matters".

However, this is only one side of the coin. For example, McGregor has given theories X and Y and each theory makes assumptions which are quite contrary to each other; Argyris has given the concept of immaturity and maturity of people which also provides two opposite views about the people. Thus, OB models developed on the basis of these assumptions would show great variations. However, OB models that are in practice show some kind of continuum between these two opposite poles, though they tend to lean towards a particular pole. Davis has described four OB models which are as follows:

1. autocratic
2. custodial
3. supportive
4. collegial.

	<i>Autocratic</i>	<i>Custodial</i>	<i>Supportive</i>	<i>Collegial</i>
Basis of model	Power	Economic resources	Leadership	Partnership
Managerial orientation	Authority	Money	Support	Teamwork
Employee orientation	Obediance	Security and benefits	Job performance	Responsible behaviour
Employee psychological result	Dependence on boss	Dependence on organisation	Participation	Self-discipline
Employee needs met	Subsistence	Security	Status and recognition	Self-actualisation
Performance result	Minimum	Passive co-operation	Awakened drives	Moderate enthusiasm

Autocratic Model

In the autocratic model, managerial orientation is towards power. Managers see authority as the only means to get the things done, and employees are expected to follow orders. The result is high dependence on boss. This dependence is possible because employees live on the subsistence level. The organizational process is mostly formalized; the authority is delegated by right of command over people to whom it applies. The management decides what is the best action for the employees. The model is largely based on the Theory of X assumptions of McGregor where the human beings are taken inherently distasteful to work and try to avoid responsibility. A very strict and close supervision is required to obtain desirable performance from them. Likert's management system can be compared with the model of organizational behaviour. His system (exploitative authoritative) in which motivation depends on physical security and some use of desire for start and better performance is ensured through fear, threats, punishment, and occasional rewards; communications is mostly one-way, that is downward: there is little interaction between managers and employees.

The autocratic model represents traditional thinking which is based on the economic concept of the man. With the changing values and aspiration levels of people, this model is yielding place to others. However, this does not mean that this model is discarded in toto. In many cases; the autocratic model of organizational behaviour may be a quite useful way to accomplish performance, particularly where the employees can be motivated by physiological needs. This generally happens at lower strata of the organization.

Custodial Model

In the custodial model, the managerial orientation is towards the use of money to play for employee benefits. The model depends on the economic resources of the organization and its ability to pay for the benefits. While the employees hope to obtain security, at the same time they become highly dependent on the organization. An organizational dependence reduces personal dependence on boss. The employees are able to satisfy their security needs or in the context of Herzberg's theory only maintenance factors. These employees working under custodial model feel happy, their level of performance is not very high. This resembles again to Herzberg's satisfier and dissatisfier. Since employee are getting adequate regards and organizational security, they feel happy. However, they are not given any authority to decide what benefits or rewards they should get. This approach is quite similar to partrimonial approach where the basic assumption

is that it is the prerogative of management to decide what benefits are best suited to the employees. Such an approach is still quite common in many business organizations in India. The phenomenon is more predominant in family-managed business organizations where family characteristics have also been applied to the organizational settings. The basic ingredient of the family-managed system is that, parents decide what is good or bad for their children and managers decide what is good for their employees. From this point of view, this model is not suitable for matured employees.

Supportive Model

The supportive model organizational behaviour depends on managerial leadership rather than on the use of power or money. The aim of managers is to support employees in their achievement of results. The focus is primarily on participation and involvement of employees in managerial decision-making process. The model is based on principles of supportive relationship's of Likert, which is the basic ingredient of his system 4 (participative). Likert states that, the leadership and other processes of the organization must be such as to ensure a maximum probability that in all interactions and all relationships with the organizations each member will, in the light of his background, values and expectation views the experience as supportive and one which builds and maintains, his sense of personal worth and importance.²⁸ It is quite similar to the assumptions of McGregor's Theory Y. The supportive model is based on the assumptions that human beings move to the maturity level and they expect the organizational climate which supports this expectations. Various organizational processes-communication, leadership, decision-making, interaction, control, and influence-are such that, these help employees to fulfil their higher order needs such as esteem and self-actualization.

Likert has shown that, supportive model is best suited in the conditions when employees are self-motivated. Thus, this emphasizes not on the economic resources of the organization but its human aspect. Manager's role is to help employees to achieve their work rather than supervising them closely. This can be applied more fruitfully for higher level managers whose lower order needs are satisfied reasonably. Organizations with sophisticated technology and employing professional people can also apply this model for getting best out of their human resources. However, this does not mean that, this model can be applied in all circumstances. For example Davis observes that, 'the supportive model tends to be specially effective in nations with affluence and complex technology, because it appeals to higher order needs and provides intrinsic motivational factors. It may not be the best model to apply in less developed nations. Because their employees need structures who are often at lower levels and their social conditions are different'. Moreover, this model can be applied more fruitfully for managerial levels as compared to operative levels. As such, the tendency of modern management is to move towards supportive model, especially for their management groups.

Collegial Model

Collegial model is an extension of supportive model. The term collegial refers to a body of people having common purpose. Collegial model is based on the team concept in which each employee develops high degree of understanding towards others and shares common goals. The employee response to this situation is responsibility. Employees need little direction and control from management. Control is basically through self-discipline by the team members. The organizational climate is quite conducive to self-fulfillment and self-actualization. Collegial model tends to be more useful with unprogrammed work requiring behavioural flexibility, an intellectual environment, and considerable job freedom.

The various models of organizational behaviour are based on the assumption of the human characteristics and how they can work best. Since situational variables are strong factors in determining the organizational processes, managers cannot assume that a particular model is best suitable for all purposes and for all situations. Rather all the

models will remain in practice and that too with considerable success. These models are basically constructed around need hierarchy. Since need hierarchy is not similar for all the employees, the same model cannot be used for all of them. The need hierarchy changes with the level of a person in the organization, level of his education, level of maturity, personality factors and the type of work environment. Considering these factors, a particular model can be applied. Organization theorists have argued that there is a tendency to move towards the adoption of supportive model because in this case people may give their best because in other models they do not find conditions conducive to give their best performance. This is why managers are taking a number of steps to humanize their organizations, such as participation, morale building, and so on to make the organizations more effective.

Check your progress - 1.8

Answers in brief:

1) What is an organization?

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2) What is organizational Behaviour?

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3) The following contribute to organizational behaviour.

a) _____ b) _____ c) _____ d) _____

4) List any 3 needs of organizational behaviour.

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5) The process of organizing has _____ steps.

a) on b) two c) five d) four

1.9 SUMMARY

Organizations have a major influence on our daily life. They are created by individuals alone or in groups. On being formed, organizations facilitate division of labor, manage large scale technology, manage the external environment, minimize transaction costs and exert power and control.

Organizational behaviour is highly useful in ensuring organizational effectiveness. In simple terms, OB is the study of human behaviour in organizational settings.

OB is an interdisciplinary subject. It has enriched itself by drawing principles and concepts from psychology, sociology, anthropology & social psychology.

OB offers both challenges and opportunities for managers. It offers specific insights to improve a manager's people skills. It recognizes differences and helps managers to see the value of workforce diversity. It can improve quality and employee productivity by showing managers how to empower their people.

Finally OB can offer managers guidance in creating an ethically healthy work climate.

1.10 CHECK YOUR PROGRESS – ANSWERS

1.8

- 1) Organization is the form of every human association for the attainment of a common purpose.
- 2) Organizational behaviour is the 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 organization's effectiveness.
- 3) a) Psychology b) Sociology c) Social psychology
d) Anthropology
- 4) Provides ideal setting for the study of human behaviour, knowledge helps the managers to work effectively, organizations pervades in all the important phases of a mans life.
- 5) Five.

1.11 QUESTIONS FOR SELF - STUDY

- 1) What is organization? Explain the need and importance of organizational Behaviour.
- 2) Explain in detail the contribution of disciplines to OB.
- 3) What are the models of OB? Explain them in detail.

1.12 SUGGESTED READINGS

Organizational Behavior – by Stephen Robins – Prentice Hall Publications

Organizational Behavior – by K. Ashwathappa – Himalaya Publishing

Organizational Behavior – by L. M. Prasad – Sultan Chand Publications

Organizational Behavior – by Suja Nair – Sultan Chand Publications



NOTES



Chapter 2

Perception and Individual Decision Making

2.0	Objectives
2.1	Introduction
2.2	Factors influencing Perception
2.3	Attribution Theory
2.4	Frequently used shortcuts in judging others
2.5	Specific applications in Organizations
2.6	The link between perception and individual decision making.
2.7	Improving creatively in Decision Making
2.8	How are Decisions actually made in Organizations
2.9	Individual differences : Decision Making Styles
2.10	Organizational Constraints
2.11	Ethics in Decision Making
2.12	Summary
2.13	Check your Progress – Answers
2.14	Questions for Self - Study
2.15	Suggested Readings

2.0 OBJECTIVES

After studying this chapter you should be able to:

- ❖ Explain how two people can see the same thing and interpret it differently.
- ❖ List the three determinations of attribution.
- ❖ Describe how shortcuts can assist in or distort our judgment of others.
- ❖ Explain how perception affects the decision making process.
- ❖ Describe the actions of the boundedly rational decision maker.
- ❖ The three ethical decision criteria.

2.1 INTRODUCTION

Perception can be defined as a process by which individuals organize and interpret their sensory impressions in order to give meaning to their environment. However, what one perceives can be substantially different from objective reality. It need not be, but there is often disagreement e.g.: It's possible that all employees in a firm may have a great place to work, favorable working conditions, interesting job assignment, good pay, an understanding and responsible management — but — as most of us know, it's very unusual to find such a work place. Perception is important in the study of OB because people's behaviour is based on their perception of what reality is, not on reality itself.

2.1.1 Nature and Importance

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

2.2 FACTORS INFLUENCING PERCEPTION

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

2.2.1 The Perceiver

When an individual looks at a target and attempts to interpret what he or she sees, that interpretation is heavily influenced by personal characteristics of the individual perceiver. Among the more relevant personal characteristics affecting perception are attitudes, motives, interests, expectations and past experiences. Unsatisfied needs or motives stimulate individuals and may exert a strong influence on their perceptions.

For Example:

The supervisor who has just been reprimanded by her boss for the high level of workers coming late among her staff is more likely to notice such behaviour by an employee tomorrow than she was last week. If you are preoccupied with a personal problem, you may find it hard to be attentive in the class. These examples illustrate that, the focus of our attention appears to be influenced by our interest and it differs considerably. What one person notices in a situation can differ from what others perceive.

Just as interests narrow one's focus, so do one's past experiences. You perceive those things to which you can relate. However, in many incidences, your past experience will act to nullify objects interest. Objects or events that have never been experienced before are more noticeable than those that have been experienced in the past. In late 1960s early 1970s, women and minorities in managerial positions were highly visible because historically, those positions were the provinces of white males. Today women and minorities are more widely represented in the managerial ranks, so we are less likely to take notice that a manager is female.

Finally, expectations can destroy your perceptions so you will see that you expect to see. You expect a police officer to be authoritative, young people to be unambitious, Personnel directors to "like" people or individual holding public office to be unscrupulous, you may perceive them as such, regardless of their actual traits.

2.2.2 The Target

Characteristics of the target that is being observed can affect what is perceived. Loud people are more likely to be noticed in a group than quiet ones. Motions, sounds, size and other attributes of a target shape the way we see it.

Because targets are not looked at in isolation from its background, the relationship of a target to its background influences perception, as does our tendency to group close things and similar things together. What we see depends on how we separate a figure from its general background.

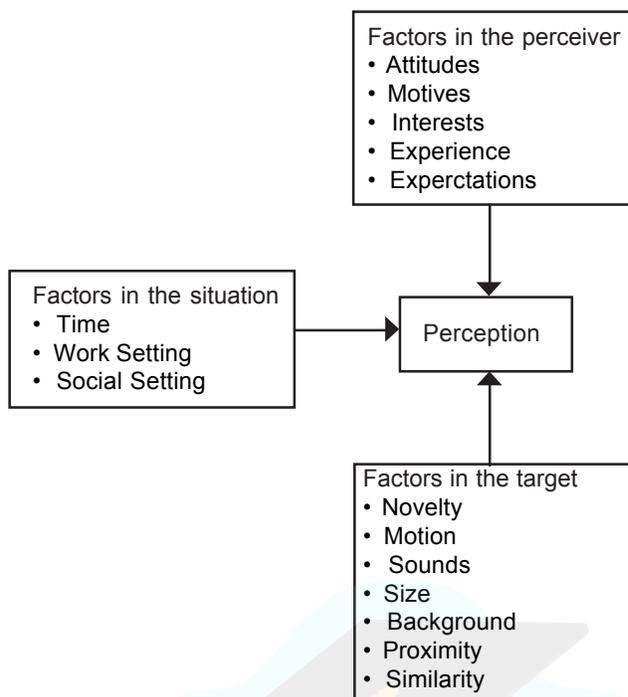
Objects that are close to each other will tend to be perceived together rather than separately. As a result of physical or time proximity, we often put together objects or events that are unrelated. Persons, objects, or events that are similar to each other also tend to be grouped together. The greater the similarity greater the probability that we will tend to perceive them as a common group. Women, blacks or members of any other group who have clearly distinguishable characteristics in terms of features or colors will tend to be perceived alike in other unrelated characteristics as well.

2.2.3 The Situation

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

For Example

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



2.3 ATTRIBUTION THEORY

Our perception of people differ from our perception of inanimate objects such as desk, machine or building, because we can make inferences about the actions of people that we don't make about in animate objects. Non-living objects are subjects to the law of nature, but they have no beliefs, motives, intentions.

But people do. The result is that, when we observe people, we attempt to develop explanations of why they behave in certain ways. Our perception and judgment of a person's action therefore will be significantly influenced by the assumption we make about that person's internal state.

Attribution theory has been proposed to develop an explanation of the Law in which we judge people differently depending on the meaning attributed to a given behaviour. This determination depends on three factors:

- i. Distinctiveness
- ii. Consensus
- iii. Consistency

Basically, the theory suggests that, when we observe an individual's behaviour, we attempt to determine whether it was internally and externally caused. Externally caused behaviours are seen as resulting from outside causes. That is the person is seen as having been forced into the behaviour by the situation. If one of our employee is late for work, you might attribute his lateness to his partying into the wee hours of the morning and then over sleeping. This would be an internal attribution. But attributing arriving late to a major automobile accident that tied up traffic on the road that this employee regularly uses, then you would be making an external attribution.

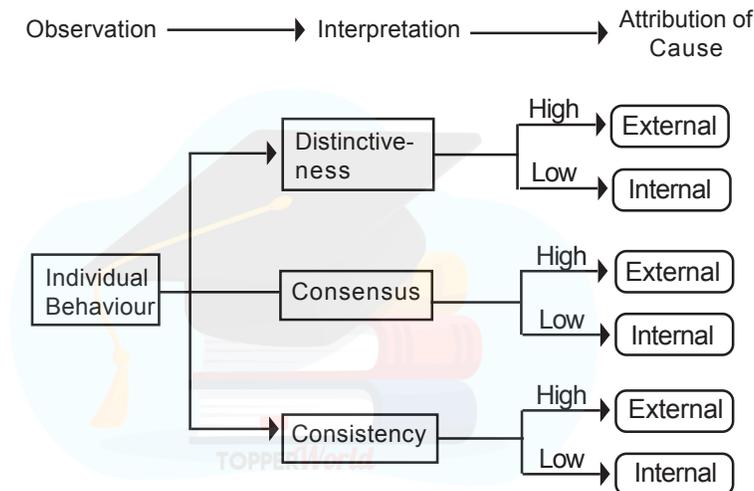
Determination depends largely on three factors

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

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

iii. Finally, an observer looks for consistency in a person’s action: Does the person respond the same way over time? Coming in 10 minutes late for work is not perceived in the same way for the employee for whom it is a usual case (she has not been late for several months) as if it is for the employee for whom it is part of a routine pattern (she is regularly late 2or3 times a week). The more consistent the behaviour, the more the observer is inclined to attribute it to internal causes.

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



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

For Example

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

The attribution theory says that the individuals, on observing the behaviour attempt to determine if it is internally or externally caused.

Internally caused behaviours are those that are under the personal control of the individual. Externally caused behaviour is seen as resulting from outside causes that is the situations. Distinctiveness refers to whether our individual displays different behaviours in different situations. If everyone who faces a similar situation responds in the same way, we can say the behaviour shows consensus. While responding in the same way a number of times, it shows consistency.

The more consistency in the behaviour, the more the observer is inclined to attribute it to internal cause. These are errors or biases that distort attribution theory.

Check your Progress - 2.3

Answers briefly:

1) What is perception ?

.....

2) What are the factors influencing perception?

.....

3) What are the determinants of the Attribution Theory?

.....

2.4 FREQUENTLY USED SHORTCUTS IN JUDGING OTHERS

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

i. Selective perception

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

ii. Halo effect

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

E.g: students appraise their classroom instructor by giving prominence to a single trait such as enthusiasm and allow their entire evaluation to be tainted by how they judge the instructor or that one trait. Thus, an instructor may be quiet, assured, knowledgeable and highly qualified, but if his style lacks zeal, those students would probably give him a low rating.

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

iii. Contrast effects

We don't evaluate a person in isolation. Our reaction to one person is influenced by other persons we have recently encountered. An illustration of how contrast effects operate is an interview situation in which one sees a pack of job applicants. Distortions in any given candidate's evaluation can occur as a result of his or her place in the interview schedule. The candidate is likely to receive a more favourable evaluation if preceded by strong applicants.

iv. Projection

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

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

v. Stereotyping

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

2.5 SPECIFIC APPLICATIONS IN ORGANIZATION

People in organizations are always judging each other. Managers must appraise their employees performances. We evaluate how much effort our co-workers are putting into their jobs. When a new person joins a work team, he or she is immediately “sized up” by the other team members. In many cases, these judgments have important consequences for the organization.

2.5.1 Employment Interview

A major input determining who is hired and who is rejected in any organization is the employment interview. Its fair to say that few people are hired without an interview. But the evidence indicates that interviews make perceptual judgements that are often inaccurate. In addition, agreement among interviewers is often poor, that is, different interviewers see different things in the same candidate and thus arrive at different conclusions about the applicant.

Interviewers generally draw early impressions that become very quickly entrenched. If negative information is exposed early in the interview, it tends to be more heavily weighted than if that same information comes out later. Studies indicate that most interviewers decisions change very little after the first four or five minutes of the interview. As a result, information elicited later and a “good applicant” is probably characterized more by the absence of unfavourable characteristics.

Importantly, who you think is a good candidate and who I think is one may differ markedly. Because interviews usually have little consistent structure and interviewers vary in terms of what they are looking for in a candidate, judgements of the same candidate can vary widely. If the employment interview is an important input into the hiring decision and it usually is, you should recognize that perceptual factors influence who is hired and eventually the quality of an organization’s labor force.

2.5.2 Performance Expectations

There is an impressive amount of evidence that demonstrates that people will attempt to validate their perceptions of reality even when those perception are faulty. This characteristic is particularly relevant when we consider performance expectation on the job. The terms Self Perception fulfilling Prophecy, Pygmalion effect, have evolved to characterize the fact that, the peoples expectations determines their behaviour. If a manager expects big things from this people, they are not likely to let him down. Similarly, if a manager expects people to perform—they will tend to behave so as to meet those low expectation. The result then is that, the expectation becomes reality.

2.5.3 Performance Evaluation

An employee’s performance appraisal is very much dependent on the perceptual process. An employee’s future is closely tied to his or her appraisal-promotions, pay raises and increases and continuation of employment are among the most obvious outcomes. The performance appraisal represents an assessment of an employee’s work. Although the appraisal can be objective, many jobs are evaluated in subjective terms. Subjective measures are easier to implement since they provide managers with greater direction and many jobs do not readily lend themselves to objective measures. But subjective measures are by definition, judgmental. The evaluator forms a general impression of an employee’s work. To the degree that managers use subjective measures in appraising employees, what the evaluator perceives to be good or bad employee characteristics or behaviour will significantly influence the outcome of the appraisal.

2.5.4 Employee effort

An individual’s future in an organization is usually not dependent on performance alone. In many organizations the level of an employee’s effort is given high importance.

An assessment of an individual's effort is a subjective judgment susceptible to perceptual distortions and bias. If it is true, as some claim, that "more workers are fired for poor attitudes and lack of discipline than for lack of ability", then appraisal of an employee's effort may be a primary influence on his or her future in the organization.

2.5.5 Employee loyalty

Another important judgment that managers make about employees is whether or not they are loyal to the organization. Despite the general decline in employee loyalty, few organizations appreciate it when employees, especially those in the managerial ranks, openly disparage the firm. Furthermore, in some organizations, if the word gets around that an employee is looking at other employment opportunities outside the firm, that employee may be labeled as disloyal and so may be cut off from all future advancement opportunities. The issue is not whether organizations are right in demanding loyalty. The issue is that many do and that assessment of an employee's loyalty or commitment is highly judgmental. What is perceived as loyalty by one decision maker may be seen as excessive conformity by another. An employee who questions a top management decision may be seen as disloyal by some, yet caring and concerned by others. Individuals who report unethical practices by their employer to outsiders — typically act out of loyalty to their organization are perceived by management as troublemakers.

2.6 THE LINK BETWEEN PERCEPTION AND INDIVIDUAL DECISION MAKING

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

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

For Example

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

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

How should decisions be made?

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

The rational decision-making process

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

The rational model involves following six steps

- i. **Define the problem:** The model begins by defining the problem. A problem exists when there is a discrepancy between an existing and a desired state of affairs. Many poor decisions can be traced to the decision maker overlooking a problem or defining the wrong problem.
- ii. **Identify the decision criteria:** He or she needs to identify the decision criteria that will be important in solving the problem. The decision-maker determines what is relevant in making the decision. This step brings the decision-makers interests, values and similar personal preferences into the process. Identifying criteria is important because what one person thinks relevant, another person may not.
- iii. **Allocate weights to the criteria:** The criteria identified are rarely all equal in importance. So the third step requires the decision-maker to weigh the previously identified criteria in order to give them the correct priority in the decision.
- iv. **Develop the alternatives:** The fourth step requires the decision maker to generate possible alternatives that could succeed in resolving the problem. No attempt is made in this step to appraise these alternatives, only to list them.
- v. **Evaluate the alternatives:** Once the alternatives have been generated, the decision maker must critically analyse and evaluate each one. This is done by rating each alternative on each criterion. The strengths and weaknesses of each alternative become evident as they are compared with the criteria and weights established in the second and third steps.
- vi. **Select the best alternative:** The final step in this model requires putting the optimal decision. This is done by evaluating each alternative against the weighted criteria and selecting the alternative with the highest total score.

Assumptions of the model

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

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

2.7 IMPROVING CREATIVITY IN DECISION MAKING

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

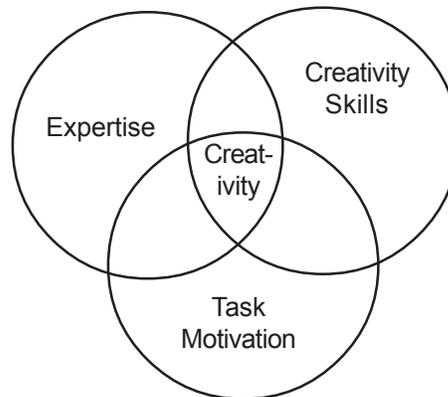
2.7.1 Creative Potential

Most people have creative potential that they can use when confronted with a decision making problem. But to unleash that potential, they have to get out of the

psychological nuts. Most of us get into and learn how to think about a problem in divergent ways. Most of us have creative potential, if we can learn to unleash it.

2.7.2 Three-Component Model of Creativity

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



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

Expertise is the foundation for all creative work. The potential for creativity is enhanced when individuals have abilities, knowledge, proficiency and similar expertise in their field of endeavor.

The second component is creative — thinking skills. This encompasses personality characteristics associated with creativity, the ability to use analogies, as well as the talent to see the familiar in a different light. For E.g.: The following individual traits have been found to be associated with the development of creativity- risk taking, an internal locus of control, tolerance for ambiguity and perseverance in the face of frustration. The effective use of analogies allows decision makers to apply an idea from one context to another.

The final component is our model's intrinsic task motivation. This is the desire to work on something because its interesting, involving, exciting, satisfying or personally challenging. This motivational component is what turns creativity potential into actual creativity ideas. It determines the extent to which individuals fully engage their expertise and creative skills. So creative people often love their work, to the point of seeming obsessed. Importantly, an individual's work environment can have a significant effect on filtrations motivation. Specifically, five organizational factors have been found that can impede your creativity.

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

2.8 HOW ARE DECISIONS ACTUALLY MADE IN ORGANIZATIONS?

Are decision makers in organizations rational? Do they carefully assess problems, identify all relevant criteria, use their creativity to identify all viable alternative, and painstakingly evaluate every alternative to find an optimizing choice? When decision makers are faced with a simple problem having few alternative courses of action, and when the cost of searching out and evaluating alternative is low, the rational model provides

a fairly accurate description of the decision process. But such situations are the exception. Most decisions in the real world don't follow the rational model. One expert in decision making recently concluded: "Most significant decisions are made by judgement. rather than by a defined prescriptive model".

The following reviews a large body of evidence to provide you with a more accurate description of how most decisions in organizations are actually made.

2.8.1 Bounded rationality

When faced with a complex problem, most people respond by reducing the problem to a level at which it can be readily understood. This is because the limited information processing capability of human beings makes it impossible to assimilate and understand all the information necessary to optimize. So people satisfy themselves that is, they seek solutions that are satisfactory and sufficient.

Since the capacity of the human mind for formulating and solving problems is far too small to meet the requirements for full rationality, individuals operate within the confines of bounded rationality. They construct simplified models that extract the essential features from problems without capturing all their complexity. Individuals can then behave rationally within the limits of the simple model.

How does bounded rationality work for the typical individual? Once a problem is identified, the search for criteria and alternatives begins. But the list of criteria is likely to be far from exhaustive. The decision maker will identify a limited list made up of the more conspicuous choices. These are the choices that are easy to find and that tend to be highly visible. In most cases, they will represent familiar criteria and previously tried and tested solutions. Once this limited set of alternative is identified, the decision maker will begin reviewing it. But the review will not be comprehensive. Not all the alternatives will be carefully evaluated. Instead, the decision maker will begin with alternatives that differ only in a relatively small degree from the choice currently in effect. Following along familiar and well-worn paths, the decision maker proceeds to review alternatives only until he or she identifies an alternative that is "good enough" — One that meets an acceptable level of performance. The first alternative that meets the "good enough" criteria ends the search. So the final solution represents a satisfying choice rather than an optimum one.

One of the more interesting aspects of bounded rationality is that, the order in which alternatives are considered is critical in determining which alternatives is selected. In the fully rational decision-making model, all alternative are considered, the initial order in which they are evaluated is irrelevant. Every potential solution would get a full and complete evaluation. But this isn't the case with bounded rationality. Assuming that a problem has more than one potential solution, the satisfying choice will be the first acceptable one the decision maker encounters. Since decision makers use simple and limited models, they typically begin by identifying alternatives that are obvious, ones with which they are familiar and those not too far from the status quo. Those solutions that depart least from the status quo and meet the decision criteria are most likely to be selected. A unique and creative alternative may present an optimizing solution to the problem. However, it is unlikely to be chosen because an acceptable solution will be identified well before the decision maker is required to search very far beyond the status quo.

2.8.2 Intuition

Intuitive decision making has recently come out of the closet and into some respectability. Experts no longer automatically assume that using intuition to make decisions is irrational or ineffective. There is growing recognition that rational analysis has been overemphasized and that, in certain instances relying on intuition can improve decision making.

There are a number of ways to conceptualize intuition. For instance, some consider it a form of extrasensory power or sixth sense and some believe it is a personality trait that a limited number of people are born with. We define intuitive decision making as an unconscious process created out of distilled experience. It doesn't necessarily operate independently of rational analysis, rather, the two complement each other.

When are people most likely to use intuitive decision making? Eight conditions have been identified.

- i. When a high level of certainty exists.
- ii. When there is little precedent to draw on.
- iii. When variables are less scientifically predictable.
- iv. When "facts" are limited.
- v. When facts don't clearly point the way to go.
- vi. When analytical data is of little use.
- vii. When there are several possessible alternative solutions from which to choose, with good arguments for each.
- viii. When time is limited and there is pressure to come up with the right decision.

Although intuitive decision making has gained in respectability in people especially in North America, Great Britain follow rational analysis which is approved way of making decisions — to acknowledge they are using it. People with strong intuitive abilities don't usually tell their colleagues how they reached their conclusions. Since rational analysis is considered more socially desirable, intuitive ability is considered more socially undesirable. Intuitive ability is often disguised or hidden.

2.8.3 Problem Identification

Problems don't come with flashing neon lights to identify themselves. And one person's problem is another persons acceptable status quo. So how do decision makers identify and select problems?

Problems that are visible tend to have a higher probability of being selected than ones that are important. Why? First, visible problems are more likely to catch a decision maker's attention, second is concerned with decision making in organizations. Decision makers want to appear competent and "on top of problems". This motivates them to focus attention on problems that are visible to others. Don't ignore the decision maker's self-interest. If a decision maker faces a conflict between selecting a problem that is important to the decision maker, self-interest tends to wind out. This also ties in with the issue of visibility. It's usually in a decision maker's best interest to attack high-profile problems. It conveys to others that things are under control. Moreover, when the decision maker's performance is later reviewed, the evaluator is more likely to give a high rating to someone who has been aggressively attacking visible problems than to someone whose actions have been less obvious.

2.8.4 Alternative development

Since decision makers rarely seek an optimum solution, but rather a satisfying one, we should expect to find a minimal use of creativity in the search for alternatives. And that expectation is generally on target.

Efforts will be made to try to keep the search process simple. It will tend to be confined to the neighbour of the current alternative. More complex search behaviour, which includes the development of creative alternative, will be resorted to, only when a simple search fails to give a satisfactory alternative.'

Rather than formulating new and unique problem definitions and alternatives, with frequent journeys into unfamiliar territory, the evidence indicates that decision making is incremental rather than comprehensive. This means decisions makers avoid the difficult

task of considering all the important factors, weighing their relative merits and drawbacks and calculating the value for each alternative. Instead, they make successive limited comparisons. This simplifies decision choices by comparing only those alternatives that differ in relatively small degrees from the choice currently in effect.

The picture that emerges is one of a decision maker who takes small steps toward his or her objective. Acknowledging the non-comprehensive nature of choice selection, decision makers make successive comparisons because decisions are made and remade endlessly in small comparisons between narrow choices.

2.8.5 Making choices

In order to avoid information overload, decision makers rely on heuristics or judgemental shortcuts in decision making. There are 2 common categories of heuristics — availability and representativeness. Each creates biases in judgement. Another bias that decision makers often have is the tendency to escalate commitment to a failing course of action.

i. Availability Heuristic

Many more people suffer from fear of flying than fear of driving in a car. The reason is that many people think flying is more dangerous. It isn't of course. But the media gives a lot more attention to air accidents, so we tend to overstate the risk in flying and understate the risk in driving. This illustrates an example of the availability heuristic, which is the tendency for people to base their judgements on information that is readily available to them. Events that evoke emotions, that are particularly vivid or that have occurred more recently, tend to be more available in our memory. As a result, we tend to be prone to overestimating unlikely events such as plane crash. The availability heuristic can also explain why managers, when doing annual performance appraisals, tend to give more weight to recent behaviours of an employee than those behaviour of 6/9 months ago.

ii. Representative heuristic

Literally, millions of inner-city African, American boys in the U.S. talk about the goal of playing basketball in the NBA. In reality, they have a far better chance of becoming medical doctors than they do of playing in the NBA, but these kids are suffering from a representative heuristic. They tend to assess the likelihood of an occurrence by trying to match it with a pre-existing category. We all are guilty of using this heuristic at times.

iii. Escalation of commitment

Another bias that creeps into decisions in practice is a tendency to escalate commitment when a decision stream represents a series of decisions. Escalation of commitment is an increased commitment to a previous decision in spite of negative information. It has been well documented that individuals escalate commitment to a failing course of action when they view themselves as responsible for the failure. That is, they “know good money after bad” to demonstrate that their initial decision wasn't wrong and to avoid having to admit they made a mistake. Escalation of commitment is also congruent with evidence that people try to appear consistent in what they say and do. Increasing commitment to previous actions conveys consistency.

Escalation has obvious implications for managerial decision. Many times an organization has suffered large losses because a manager was determined to prove his or her original decision was right by continuing to commit resources to what was a lost cause from the beginning. Additionally, consistency is a characteristic often associated with effective leaders. So managers in an effort to appear effective, may be motivated to be consistent when switching to another course of action may be preferable. In actuality, effective managers are those who are able to differentiate between situations in which persistence will pay off and situations in which it will not.

Check your Progress – 2.8

Write short notes on

a) Halo Effect:

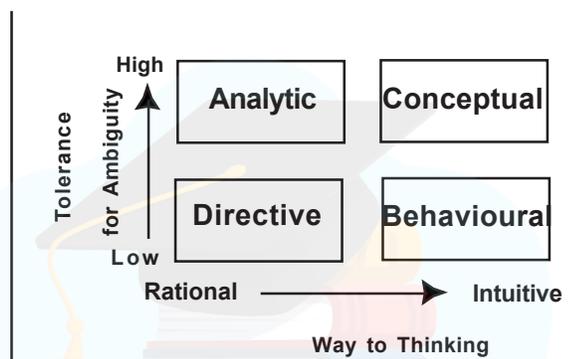
.....

b) Stereotyping

.....

2.9 INDIVIDUAL DIFFERENCES: DECISION MAKING STYLES

All of us bring our individual style to the decisions we make. Research on decision styles has identified four different individual approaches to making decisions. This model was designed to be used by managers and aspiring managers, but its general framework can be used by any individual decision maker.



The basic foundation of the model is the recognition that people differ along two dimensions. The first is their way of thinking. Some people are logical and rational. They process information serially. In contrast, some people are intuitive and creative. They perceive things as a whole. These differences are above and beyond general human limitations such as we described regarding bounded rationality.

The other dimension addresses a person’s tolerance for ambiguity. Some people have a high need to structure information in ways that minimize ambiguity, while others are able to process many thoughts at the same time when these two dimensions are diagrammed. They form four styles of decision — making.

People using the directive style have low tolerance for ambiguity and seek rationality. They are efficient and logical. but their efficiency concerns result in decision made with minimal information and with few alternative assessed. Directive types make decisions fast and they focus on the short run.

The analytic type has a much greater tolerance for ambiguity than do directive decision makers. This leads to the desire for more information and consideration of more alternatives than is true for directives. Analytical managers would be best characterized as careful decision makers with the ability to adapt to or cope with new situations.

Individuals with a conceptual style tend to be very broad in their outlook and consider many alternatives. Their focus is long range and they are very good at finding creative solutions to problems.

The final category the behavioural style — characterizes decision makers who work well with others. They're concerned with the achievement of peers and those working for them and are receptive to suggestions from others, relying heavily on meetings for communicating. This type of manager tries to avoid conflict and seeks acceptance. Although these 4 categories are distinct, most managers have characteristics that fall into more than one. It's probably best to think in terms of a manager's dominant style and his or her backup styles. Some managers rely almost exclusively on their dominant style; however, more flexible managers can make shifts depending on the situation.

Business students, lower-level managers and top executives tend to score highest in the analytic style. That's not surprising given the emphasis that formal education, particularly business education, gives to developing rational thinking: For E.g.: Courses in accounting, statistics and finance all stress rational analysis.

In addition to brainwork or looking at individual differences, focusing on decision styles can be useful for helping you to understand how two equally intelligent people, with access to the same information, can differ in the ways they approach decisions and the final choices they make.

2.10 ORGANIZATIONAL CONSTRAINTS

The organization itself constrains decision makers. Previous organizational decisions also act as precedents to constrain current decisions.

2.10.1 Performance evaluation

Managers are strongly influenced in their decision making by the criteria by which they are evaluated. If a division manager believes that, the manufacturing plants under his responsibility are operating best when he hears nothing negative, we shouldn't be surprised to find his plant managers spending a good part of their time ensuring that negative information doesn't reach the division boss.

2.10.2 Reward systems

The organization's reward system influences decision makers by suggesting to them what choices are preferable in terms of personal pay off. If the organization rewards risk aversion, managers are more likely to make conservative decisions.

2.10.3 Formal regulations

All but the smallest of organizations create rules policies, procedures and other formalized regulations in order to standardize the behaviour of their members. By programming decision, organizations are able to get individual to achieve high levels of performance without paying for the years of experience that would be necessary in the absence of regulation. And of course, in so doing, they limit the decision maker's choice.

System Imposed Time constraints : Organizations impose deadlines on decision. For E.g: department budgets need to be completed by next Monday. A host of decisions must be made quickly in order to stay ahead of the competition and keep customers satisfied. And almost all important decisions come with explicit deadlines. These conditions create time pressures on decision makers and often make it difficult, if not impossible, to gather all the information they might like to have before making a final choice.

2.10.4 Historical precedence

Decision aren't made in vacuum. They have a context. In fact, individual decisions are more accurately characterized as points in a stream of decisions made in the past are ghost that continually haunt current choices. Government budget decisions also offer an illustration of out point choices made today, therefore, are largely a result of choices made over the years.

2.10.5 Cultural difference

The rational model makes no acknowledgment of cultural differences. We need to recognize that the cultural background of the decision maker can have significant influence on his or her selection of problems, depth of analysis. The importance placed on logic and rationality, or whether organizational decisions should be made automatically by an individual cultures, for example, differ in terms of time orientation, the importance of rationality, their belief in the ability of people to solve the problems and preference for collective decision making. While rationality is valued in North America. A North American manager might make an important decision intuitively, but he/ she knows that it is important to appear to proceed in a rational fashion. This is because rationality is highly valued in the west. In countries such as Iran, where rationality is not defined, efforts to appear rational are not necessary.

Some cultures emphasize solving problems while others focus on accepting situation as they are. The U.S. falls in the former category while Thailand and Indonesia are examples of cultures that fall into the latter. Because problem solving managers believe they can and should change situations to their benefits. American managers might identify a problem long before their Thai or Indonesia counterpart would choose to recognize it as such.

Decision making by Japanese is based on value of conformity and co-operation. So before Japanese CEO's make an important decision, they collect a large amount of information which is then used in consensus — forming group decisions.

2.11 ETHICS IN DECISION MAKING

No contemporary discussion of decision making would be complete without inclusion of ethics, because ethical consideration should be an important criteria in organizational decision making. We look at 3 different ways to ethically frame decisions and look at the factors that shape an individual's ethical decision making behaviour.

2.11.1 Three Ethical decision criteria

An individual can use 3 different criteria in making ethical choices, The first the utilitarianism is to provide the greatest good for the greatest number. This view tends to dominate business decision making. It is consistent with goals such as efficiency, productivity and high profits. By maximizing profits for e.g.: a business executive can argue he is securing the greatest good for the greatest number—as he hands out disarmingly notices to his employees.

Another ethical criterion is to focus on rights. This calls on individuals to make decisions consistent with fundamental liberties and privileges as set forth in documents such as the Bill of Rights. An emphasis in rights in decision making means respecting and protecting the basic rights of individuals, such as the right to privacy, to free speech and to due process.

A third criterion is to focus on justice. This requires individuals to impose and enforce rules fairly and impartially so there is an equitable distribution of benefits and costs. Union members typically favour this view. It justifies paying people the same wage for a given job, regardless of performance difference and using seniority as the primary determination in making lay off decisions. Each of these three criteria has advantages and liabilities. A focus on utilitarianism promotes efficiency and productivity, but can result in ignoring the rights of some individuals, particularly those with minority representation in the organization. The use of rights as a criterion protects individuals from injury and is consistent with freedom and privacy, but it can create an evenly legalistic work environment that hinders productivity and efficiency. A focus on justice protects the interests of the under represented and less powerful, but it can encourage a sense of entitlement that reduces risk taking, innovation and productivity.

Decision makers particularly for — profit organizations, tend to feel safe and comfortable when they use utilitarianism. A lot of questionable actions can be justified when framed as being in the best interest of “the organization” and stock holders. But many critics of business decision makers argue that, this perspective needs to change. Increased concern in society about individual rights and social justice suggests the need for managers to develop ethical standards based on non-utilization criteria. This presents a solid challenge to today’s managers because making decisions using criteria such as individual rights and social justice involves far more ambiguities than using utilization criteria such as effects on efficiency and profits. This helps to explain why managers are increasingly criticized for their actions. Raising prices, selling products with questionable effects on consumer health, closing down plants, laying off large number of employees, moving production overseas to cut costs and similar decisions can be justified in utilitarian terms. But that may no longer be the single criterion by which good decisions should be judged.

2.11.2 Ethics and national culture

What is seen as an ethical decision in China may not be seen as such in Canada. The reason is that, there are no global ethical standards. Contrasts between Asia and the West provide an illustration. Because bribery is common place in countries such as China, a Canadian working in China might face the dilemma; should I pay a bribe to secure business if it is an accepted part of that country’s culture? Or how about this for a shock? A manager of a large U.S. Company operating in China caught an employee stealing.

Following company policy, she fined him and turned him over to the local authorities. Later, she was horrified to learn that the employee had been summarily executed. While ethical standards may see ambiguous in the West criteria, defining right and wrong are actually much clearer in the West than in Asia. Few issues are black and white there; most are gray. The need for global organizations to establish ethical principles for decision makers in countries such as India and China and to modify them to reflect cultural norms, may be critical if high standards are to be upheld and if consistent practices are to achieved.

Check your progress – 2.11

- 1) The rational decision maker needsthat is the ability to produce novel useful ideas.
- 2) The 3 components of creative decision making areand
- 3) What are the three different criteria of making ethical choices?
.....
.....

2.12 SUMMARY

Perception refers to the process of receiving stimuli, selecting grouping, understanding and reacting to the external stimuli. Perception is influenced by the object of perception, the perceiver and the situation in which the process occurs. It is an important variable in individual behaviour.

Attribution is a corollary of perception. Attribution is the process of attributing causes to the behaviour of others. Attribution has implications for perception, leadership and motivation.

Perception plays spoilsport with human behaviour. Bases like stereotyping, halo effect, projection, attribution and self fulfilling prophecy distort perception.

Perception has implications in such areas as employee selection, training performance evaluation, testing one's loyalty to the organization and in deciding on appropriate managerial practices based on Theory X and Theory Y assumptions.

Being an important variable in individual behaviour, perception needs to be managed effectively.

Social perception is the process of understanding other people accurately.

2.13 CHECK YOUR PROGRESS – ANSWERS

2.3

- 1) Perception is the process by which individuals organize and interpret their sensory impressions in order to give meaning to their environment.
- 2) Perceiver : Attitudes, motives, Interests,
Experience, Expectation
Situation : Time, work setting, social setting
Target : Novelty, motion, sound, size, backgrounds, proximity
and similarity
- 3) Distinctiveness, consensus and consistency.

2.8

- a) Halo effect: When we are drawing a general impression about an individual on the basis of a single characteristic, such as intelligence, social ability or appearance, a halo effect is operating.
- b) When we judge someone on the basis of a perception of the group to which he or she belongs, we are using the shortcut called stereotyping.

2.11

- 1) Creativity
- 2) Expertise, Creativity Skills and task motivation
- 3) Utilitarian, focus in rights and focus on justice.

2.13 QUESTIONS FOR SELF - STUDY

- 1) What is perception and what are the factors influencing perception ?
- 2) Describe the link between perception and individual decision making.
- 3) Explain the actual decision making process of an organization.
- 4) Elucidate the frequently used shortcuts in judging others.
- 5) Write short notes on :
 - a) Halo effect.
 - b) Organizational constraints
 - c) Ethics in decision making.

2.14 SUGGESTED READINGS

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



NOTES



Chapter 3

Personality and Attitude

3.0	Objectives
3.1	Introduction
3.2	Definition
3.3	Theories on personality
3.3.1	Type Theory
3.3.2	Trait Theory
3.3.3	Psychoanalytic Theory
3.3.4	Social Learning Theory
3.3.5	Humanistic Approach
3.4	The shaping of personality
3.5	Assessment of Freud's stages
3.6	Immaturity to maturity
3.7	Determinants of personality
3.8	Personality Traits
3.9	The Myers – Briggs Framework
3.10	Major Traits influencing OB
3.11	Personality and OB
3.12	Attitudes
3.13	Formation of Attitude
3.14	Types of Attitude
3.15	Functions of Attitude
3.16	Changing Attitude
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3.18	Types of change
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3.0 OBJECTIVES

After reading this chapter, you should be able to:

- ❖ Explain the factors that determine an individual personality
- ❖ Describe the Myers' Briggs type Indicator personality framework.
- ❖ Contrast the three components of an attribute
- ❖ Summarize the relationship between attitudes and behaviour.
- ❖ Discuss – Similarities and differences between job-satisfaction and the other job attitudes discussed.

3.1 INTRODUCTION

The term personality often figures in discussions on one's job prospects, achievements, marriage and on other similar occasions. In all these events, personality is understood in

its narrow sense as implying one's charm, popularity, dress and other physical attractiveness. Perceiving personality in this narrow sense will not help much in understanding an individual's behaviours in an organization.

3.2 DEFINITION

The word personality in English is derived from the Latin word persona. Originally, it denoted the masks worn by theatrical players in ancient Greek dramas. Thus, the initial conception of personality was that of a superficial social image that an individual adopts in playing life roles — a public personality. This view is consonant with that of the contemporary layman who equates personality with physical attractiveness such a conception is not widely held in psychology. These different conceptions clearly indicate that the meaning of personality in psychology extends far beyond the original 'superficial social image' concept. It refers to something much more essential and enduring about a person.

For example

- i. Most definitions depict personality as some kind of hypothetical internal structure or organization. Behaviour, at least in part, is seen as being organised and integrated by personality.
- ii. Most definitions stress the need to understand the meaning of individual differences. Personality is what makes individuals unique., it is only through the study of personality that the relevant differences among persons can be made clear.

Personality may be understood as the characteristic patterns of behaviour and modes of thinking that determine a person's adjustment to the environment. Personality can be described as how a person affects others, how he understands and views himself and his pattern of inner and outer measurable traits.

Thus, personality represents the sum total of several attributes which manifest themselves in an individual; the ability of the individual to organize and integrate all the qualities so as to give meaning to life and the uniqueness of the situation which influences behaviour of an individual. Personality is therefore, a very diverse psychological concept.

3.3 THEORIES ON PERSONALITY

There are several theories but more prominent among them are:

3.3.1 Type Theory

Type theories place personalities into clearly identifiable categories. Classification into types is the beginning of most sciences—types of rocks, kinds of plants and so on. Thus, it is not surprising that the first student of human nature try to classify kinds of people. In type theories relationship was sought to be established between features of face or body and personality. Classification of personalities on body basis is subjective. Type theories are simple and popular but carry no substances. The second basis to type personalities is psychological factors. One of the Freud's pupils, the Swiss psychologists Carl Jung, divided all personalities into introverts and extroverts. These terms are normally associated with an individual's sociability and interpersonal orientation. Extroverts are gregarious, sociable individuals, while introverts are shy, quiet and retiring.

Thus, type theories, body or psychological, though appealing as they provide a simple way of looking at personality, fail to reveal all complexities of personality.

3.3.2 Trait Theories

Trait theories is another way of understanding personality. A personality trait is understood as an enduring attribute of a person that appears consistently in a variety of

situations. A trait of an individual is abstracted from his behaviour and serves an useful — “unit of analysis” to understand personality.

Trait theorists assume that a personality can be described by its position on a number of continuous dimensions or scales, each of which represents a trait. Thus, we could rate an individual on a scale of intelligence, emotional stability, aggressiveness, creativeness or any of a number of other dimensions.

It is important to remember that traits are reactions, not something a person possesses. One does not possess shyness, he feels and acts shy under some circumstances. In many ways, the trait theory is a multiple model of type theory.

History of Trait theory

The search for personality, social, physical or intellectual attributes that describes leaders from non-leaders goes back to 1930s. Research efforts in leadership traits resulted in a number of dead ends. A review of different studies identified that, leadership traits were common in five out of twenty cases. The research was carried out to find out a set of traits that would differentiate leaders from followers but the research failed. The overall cumulative finding from research conclude that, some traits increase the likelihood of becoming leaders but none of the traits will guarantee a success.

Psychologists working in an area of trait theory are concerned with:

- a. Determining the basic traits that provide a meaningful description of personality.
- b. Finding some way to measure them. There are two ways of assessing personality traits:
 - i. The person describes himself by answering questions about his attitudes, feelings and behaviours.
 - ii. Someone else evaluates the person’s traits from what he knows about the individual.

With the first method, a personality inventory is most often used, whereas the second, usually involves a rating scale. A personality inventory is essentially a questionnaire in which the person reports the reactions or feelings in certain situations.

A rating scale is a device for recording judgement about traits. A rating scale is filled up by someone else by what he knows about the individual or by studying his behaviour in certain situations.

Evaluation of trait theory

Trait theory is an improvement over type theories. The type theories unrealistically, attempt to place personalities into discrete, discontinuous categories. The trait theory, on the other hand, gives recognition to the continuity of personalities. The theory has also contributed to personality ratings and factor analysis techniques to behavioural science.

However, there are several problems with the trait approach. Terms are different to define, there are contradictions and the scientific reliability of the results is open to considerable challenge. A major objection to trait theories is that, they are very descriptive rather than analytical and are a long way from being comprehensive theories of personality. Further, some trait theories tend to focus on isolated traits without specifying how these traits are organised within the personality. Finally, traits are abstracted from behaviour. But we cannot use the same traits to explain behaviour.

Trait theory with examples

Theories, which consider personal qualities and characteristics that differentiate leaders from non-leaders, for example. Margaret Thatcher, former Prime Minister of Great Britain

was always known for her leadership. She was described as confident, iron-willed, determined and decisive. These terms are traits and people using them are trait-willed, determined and decisive. These terms are traits and people using them are trait Theorist supporters. The media is a strong supporter of trait theories of leadership; say focusing on personal qualities and characteristics. The media identifies people like Margaret Thatcher, Nelson Mandela. New York mayor Rudolph Giuliani, Virgin group's CEO- Richard Branson as charismatic enthusiastic. Traits in different leaders and non-leaders are ambitions and energy, the desire to live, honesty and integrity, self-confidence, intelligence and job relevant knowledge. Recent research shows that high self-monitors that is they are highly flexible to adjust to indifferent situations and are more likely to immerge as leaders. When leaders like Steve Jobs of Apple computer were described as charismatic or enthusiastic, these adjectives reflected the trait theory of leadership that seeks to identify specific personal qualities and characteristics of leaders to explain their success. Effective leaders behave in unique manner. For example: Titan International CEO Marry Taylor and Siebel System CEO Tom Siebel have led their companies in very critical periods in a very successful manner. Their leadership style consists of tough talking, intense and autocratic.

The difference between trait and behavioural theories in terms of applications lies in their underlying assumptions. Trait theories are valid. The leaders are born and not made by the specific behaviour identified leader. The leadership could be taught and designed as to implant behavioural patterns in individuals who desire to be leaders.

Drawbacks of Trait theory

The trait theory has certain limitations. First and foremost, there are no universal traits that will give leadership in all situations, while trait appears to predict leadership on relative situations. Secondly, trait predicts behaviour more in weak situations rather than in strong situations. Strong situations are there when the behaviour norms are strong incentives for specific type of behaviour and clear expectations as to which behaviour is rewarded and which is punished. Some strong situations create the opportunities for leaders to express. Organizations with strong cultures fit in the description of strong situation but here power of trait to predict leadership is limited. The third drawback is the inability to separate cause from effect. For example: Does self-confidence create leadership or does success as a leader build self-confidence. Finally, trait helps in predicting the appearance of leadership than distinguish between effective and ineffective leaders.

The major movement away from trait began as early as 1940's. 1960 emphasized research in the behavioural theories.

This theory differs from that of trait theory. This theory is based on the in-depth study of individual personalities.

Siemund Freud is credited with psychoanalytic theory. Freud, acknowledged as one of the intellectual giants in the history of modern thought, developed.

- i. The first comprehensive personality theory.
- ii. A method for treating neurotic ills.
- iii. An extensive body of clinical observations based on his therapeutic experience and self-analysis.

Freud saw personality as composed of three structures:

- i. **The ID:** Refers exclusively to the innate component of personality. The id is the mental agency containing everything inherited, present at birth, and fixed in the individual's constitution especially instincts. It is raw, animalistic, unrecognized knows no laws, obeys no rules and remains basic to the individual throughout life. The id, according to Freud, employs to rid the personality of tension, reflex actions

and primary process. Primary process refers to attempts of an individual to form a mental image of the object that will remove the tension.

- ii. **The ego:** Mental images do not satisfy needs. The starving man cannot satisfy hunger by eating images. Reality must be considered. This is the role of the ego. The ego develops out of the id because of the necessity for dealing with the real world.
- iii. **The super ego:** In order for a person to function constructively in society, he should acquire a system of values, norms, ethics and attitudes which are reasonably compatible with that society. The superego, represents the internalized representation of the values and morals of society as taught to the child by the parents and others. The super ego judges whether an action is right or wrong according to the standards of society. The id seeks pleasure, the ego tests reality and the superego strives for perfection.

Sometimes, the three components of personality are at odds: the ego postpones gratification that the id wants right away and the superego battles with both the ego and the id, because behaviour often falls short of the moral code it represents. But more often in the normal person the three work as a team, producing integrated behaviour.

3.3.3 Evaluation of psychoanalytic theory

This theory has had an enormous impact on psychological and philosophical conceptions of people.

Freud's emphasis on the conscience has been partially supported by some of the current research findings of cognitive psychologists. This work has revealed that, mental processes about which people are unaware have all important impact on thinking and actions.

The importance of this theory is underscored by the fact that it has spawned a significant and enduring method of treating psychological disturbances.

Freud's psychoanalytic theory has been criticized as it has been praised. One criticism against the theory is that the approach is not based on empirically verifiable facts. The psychoanalytic elements are largely hypothetical constructs and are not measurable, observable items, susceptible to scientific analysis and verification.

Some critics point out that Freud's theory of personality is based almost entirely upon his observations of emotionally disturbed individuals. It may not represent an appropriate description of the normal, healthy personality. Freud assumed that all human events (actions, thoughts, feelings, aspirations) are lawful and determined by powerful instinctual forces i.e. aggression. Thus, human beings are seen as essentially mechanistic, they are governed by the same natural laws that apply to the behaviour of other organisms. In his approach, there is no room for concepts such as free will, choice, personal responsibility, spontaneity and self determination.

3.3.4 Social Learning Theory

Much of human behaviour is either learned or modified by learning. Through learning, one acquires knowledge, language attitudes, values, fears, personality traits and self-insight. Therefore, a study of the process of learning throws more light on understanding human activities.

The social learning theorists on personality regard the situation as an important determinant of behaviour. The social learning theory focuses on behaviour patterns and cognitive activities in relation to the specific conditions that evoke, maintain or modify them. The emphasis is what an individual does in a given situation. Some of the personal variables like that determine what an individual will do in a particular situation include:

- i. Competencies: Intellectual abilities, social skills and other abilities.
- ii. Cognitive Strategies: Habitual ways of selectively attending to information and organizing it into meaningful units.
- iii. Outcome expectations: Expectations about the consequences of different behaviours and the meaning of certain stimuli.
- iv. Self regulatory systems and plans: Individual differences in self imposed goals, rules guiding behaviour, self-imposed rewards for success or punishment for failure and ability to plan and execute steps leading to a goal will lead to differences in behaviour. All of the above variables interact with conditions of the particular situation to determine what an individual will do in that situation.

The social learning theorists also believe in reciprocal behaviour patterns. Situation is no doubt capable of evoking, maintaining or modifying the behaviour patterns of individuals. An individual in turn, is able to mould conditions of a situation. Our behaviour reflects the 'situations' of life as well as being influenced by them, the relationship is reciprocal. By selectively attending to what is happening, we can prevent certain conditions from imposing on us. And by our actions we can partly create the conditions that imposing, changes in behaviour towards others are usually followed by reciprocal changes in the behaviour of others.

Evaluation of Social Learning Theory

Social learning theory has made a major contribution to both clinical psychological and personality theory. It has led us to look more closely at the situation that can be used to modify behaviour. Careful applications of learning principles has proved very successful in changing maladaptive behaviour.

Social learning theorists have been criticized for over emphasizing the importance of situational factors in behaviour to the neglect of individual differences. They show little interest.

An individual is regarded as flexible, malleable and passive victim of external stimuli—the permanent of environmental fate. Environmental conditions are held to be superior to human nature.

3.3.5 The Humanistic Approach

The humanistic approach to the study of personality includes number of theories, although different in some respects, share a common emphasis on man's potential for self direction and freedom of choice. They are concerned with the 'self' and the individual subjective experiences. The theories stress man's positive nature — his push towards growth and self actualizations. Their emphasis is also on the "here and now" rather than on events in early childhood that may have shaped the individual's personality.

Carl Rogers and Abraham Maslow are credited with the humanistic theory of personality. Their views on personality are explained below.

3.3.5.1 Rogers Self Theory

Rogers approach to personality is described as phenomenological. Phenomenology is the study of individuals subjective experience, feelings and private concepts as well as his views of the world and self. For Rogers, behaviour is utterly dependent upon how one perceives the world — that is, behaviour is the result of immediate events as they are actually perceived and interpreted by the individual. Such an approach to personality emphasises the self and its characteristics.

Rogers ideas of human nature grew out of his experiences in working with emotionally disturbed people. Roger has concluded that the inner most nature of human nature is essentially purposive, forward moving, constructive, realistic and quite trustworthy. He regards the person as an active force of energy, oriented towards future goals and self-directed purpose rather than a created pushed and pulled by forces beyond his control.

Rogers agrees that people occasionally express all kinds of bitter and antisocial actions, but he argues that at such times they are not behaving in concert with their inner natures. Thus, people are functioning as fully human beings, when they are free to experience and to satisfy their inner nature, they show themselves to be positive and rational creatures who can be trusted to live in harmony with themselves and others. Roger has profound (almost religious) sense of respect for human nature. He — that human organism has a natural tendency to move in the direction of differentiation, self-responsibility, co-operation, and maturity. Self-actualization, according to Rogers, is the basic motivating force representing the inherent tendency of the organism to develop all its capabilities in ways which serve to maintain or enhance the person.

3.3.5.2 Maslow's Self-actualization Theory

Abraham Maslow is regarded as the spiritual father of humanism in American psychology. Humanistic psychology of Maslow radically differ from psychoanalytic and learning or behaviouristic theories. Humanistic psychology of Maslow, on the other hand, postulates man as self actualiser. By self-accusation, Maslow meant the development of full individuality, with all parts of personality in harmony.

Maslow's humanistic psychology is steeped in European existential philosophy and psychology as developed by thinkers and writers as Kierkegard, Camus, Binswanger and Boss.

Existential philosophy is concerned with man as an individual and each person alone is responsible for his own existence. Contrary to popular belief, he is never static. He is always in the process of becoming something different. He tries to use his potentials to become a useful member of society and to lead a truly authentic and fruitful life. This drive of a man which is inherent in him, is called selfactualisation. Existential philosophy also stresses human consciousness, subjective feelings and moods and personal experiences as they relate to one's existence in the world of other people. This outlook may be called "here-and-now" perspective. Existentialists and humanist alike emphasis subjective experience as the primary phenomenon in the study of human nature. Both theoretical explanations and over-behaviour are secondary to experience itself and its meaning to the experiencing person.

Thus, central to the humanistic approach are:

- i. Individual is an integrated whole.
- ii. Animal research is irrelevant to human behaviour.
- iii. Human nature is essentially good.
- iv. Man has creative potential.
- v. Psychological health of man is more important.

3.4 THE SHAPING OF PERSONALITY

How personality develops from its infant to grown up stage is an interesting and useful study. Psychologists have come out with different stages in the development of personality. The most important are discussed below.

Freudian Stages

Sigmund Freud was a pioneering stage theorist. Although the analysis of stages of development can be traced as far back as the ancient Greeks, it was Freud who first formulated a meaningful stage theory. He was the first psychologist to believe that childhood events might have a bearing on adult behaviour and consciousness. Freud theorized that there are 4 universal stages of psychological development which are decisive for the formation of personality: oral, anal, phallic and genital. A period of latency, normally occurring between the ages of 6 or 7 and the onset of puberty was included by Freud in the overall scheme of development, but strictly speaking it is not a stage. The first 3 stages of development extend from birth to five years and are called pregenital stages;

since the genital zones of the body have not attained a dominant role in personality formation. The fourth stage coincides with the attainment of puberty. The names of these stages are based on the regions of the body whose stimulation allows for the discharge of sexual energy.

- i. **The Oral Stage:** This stage extends throughout the first year of life. Infants are totally reliant upon others for survival, dependence is their only way of obtaining instinctual gratification. The mouth is the body zone through which biological drives are sought to be reduced. Freud believed that the mouth remains an important erogenous zone.
- ii. **The Anal Stage:** During the second and third years of life, the focus shifts from mouth to the anal region.
- iii. **The Phallic Stage:** Age about 4 years. —This is a stage of psychosexual development. Adults males fixate at the phallic stage are usually brash vain, boastful and ambitious while women are found to express traits of flirtatiousness.
- vi. **The Latency Period:** Between the ages of 6 or 7 and the onset of adolescence, occurs the latency period (the elementary school age) which is very important for the social development of the child, for acquiring the knowledge and skills needed to get along in the workday world.
- v. **The Genital stage:** The genital stage occurs during adolescence to adulthood.

Freud believed that in order for people to attain the ideal genital character, they must relinquish the passivity of early childhood days when love, security, physical comfort indeed all gratification's were freely given and nothing was expected in return. They have to work, postpone gratification, become responsible and above all assume a more active role in dealing with life's problems.

3.5 ASSESSMENT OF FREUD'S STAGES

Credit should be given to Freud, for he was the pioneering stage theorist. He provides some valuable insights which provoked further study on personality development. There exists hardly a sphere of modern life which has not been influenced more or less by Freudian thought - sociology, social welfare, politics, law, the family, education, the treatment of delinquency and mental illness, medicine, propaganda, advertising, entertainment and even religion. Freud has made our understanding of human personality both deeper and wider than we chose to dream.

Although the human mind is invisible and intangible, Freud has shown that it's study can be carried out with something like scientific precision. Human behaviour indeed seems unpredictable, swayed by unknown motives, but Freud showed that it is possible to discern law which governs people's words, thoughts and feelings and that they do not behave irrationally as it might seem, but in tune with their own inner dynamics. His works are considered to be a revolution in our knowledge of human personality for two reasons: firstly, because he evolved a new scientific method of studying the human mind and secondly, because of the application of that method yielded results which compels us to revise our ideas about the human personality. However, Freud's high reliance on sex to explain stages in personality development has been criticized. The major disagreement centres on Freud's choice of words.

3.5.1 Neo-Freud Stages

Among Neo-Freudians, Erik Erikson gave a new dimension to the development of personality, which he claimed was nothing more than a systematic extension of Freud's psychosexual development. Erikson felt that, relatively more attention should be given to the social rather than the sexual adaptations of individual. He postulated that, the social problems encountered in the course of development were more important stages in which the child faces a wider range of human relationships as he grows up. Erikson asserted that, a psychosocial crisis occurs within each of the stages and that in order for the

person to have a normal, fulfilling personality, each crisis should be optimally resolved. For Erikson, a crisis is not a catastrophe but a turning point in an individual's development. Erikson's eight stages of psychological development can be enlisted as:

- i. Infancy: Birth to one year.
- ii. Early Childhood: One to three years.
- iii. Play age: Four to five years
- iv. School age: Six to eleven years.
- v. Puberty and adolescence: Twelve to twenty years.
- vi. Young adulthood: Twenty to twenty four years.
- vii. Middle adulthood: Twenty five to sixty five years.
- viii. Late adulthood: Old age.

Assessment of psychosocial stages

Eight stages of man, as postulated by Erikson, offer new perspectives about personality. First, Erikson has formulated a theory in which the roles of society and of persons themselves are accorded equal emphasis with respect to the development and organization of personality. Second, Erikson has been sensitive to the age of adolescence, a period largely ignored in the formation of the person's psychological and social well-being. Finally, Erikson has stimulated a sense of optimum by demonstrating that each stage of psychosocial growth has the potential for both strength and weakness, so that failure at one stage of development does not necessarily indicate doom at a later stage.

Although Erikson's theory has gained prominence in both clinical and academic setting, research efforts towards testing it have been sparse. Erikson himself admits that his own conceptions of personality may not be directly applicable to experimental verification.

3.5.2 Cognitive Stages

Jean Piaget, a Swiss psychologist is credited with 'cognitive' or 'conscious' stages of personality development. For Piaget it is 'conscious' instincts which are important variables in the development of personality. Being a lover of children, Piaget spent most of his life observing children in order to understand when and how they developed their reasoning abilities. He identified four stages of personality development which are:

- i. **Sensorimotor:** Age 0-2 years: By sensorimotor, Piaget means that the infant responds to stimuli quite directly with little in the way of complex information processing.
- ii. **Pre-operational Stage:** During the pre-operational stage, the child learns to separate himself from the environment and initially classifies objects through the use of symbols and words.
- iii. **Concrete Operational Stage:** The concrete operational stage is characterized by an intellectual understanding of the concept of conservation of a mass, irrespective of its shape.
- iv. **Formal Operation Stage:** In this final stage, reasoning can take place on abstract as well as concrete levels.

Piaget's views on personality are valid as much as the cognitive stages do have influence on organizational behaviour, particularly the formal operational stage in which most people are active organization members. At this stage, concrete things need not be manipulated to cause behaviour, as employees are capable of analyzing reasoning, imagining and evaluating objects. But the problem with the cognitive theory is that it fails to unravel all dimensions of personality development.

3.6 IMMATURITY TO MATURITY

Professor Chris Argyris of Harvard has identified specific dimensions of the human personality as it develops. He proposes that the human, rather than going through distinct stages, progresses along a continuum from an infant to maturity as an adult. However, at any stage, people can have their degree of development plotted according to the seven dimensions as shown below:

The Immaturity to Maturity continuum.

Immaturity Characteristics	Maturity Characteristic
Passivity	Activity
Dependence	Independence
Few Ways of Behaving	Diverse Behaviour
Shallow interests	Deep interests
Short-time perspective	Longtime Perspective
Subordinate position	Super ordinate position
Lack of self awareness	Self Awareness Control

In contrast to the stage theories of Freud and Erikson, the Argyris's immaturity-maturity model of personality is specifically directed to the study and analysis of organizational behaviour. Argyris assumes that the personalities of organizational employees can be generally described by the mature end of the continuum. In order to obtain full expression of employee's personalities, the formal organization should allow for activity rather than passivity, independence rather than dependence, long-time rather than short-time perspective, occupation of a position higher than that of peers and expression of deep, important abilities. Argyris argues that, too often the exact opposite occurs. The mature organizational participant becomes frustrated and anxious and is in conflict with the modern formal organization. Argyris sees a basic incongruity between the needs of the mature personality and the nature of the formal organization.

3.7 DETERMINANTS OF PERSONALITY

What determinants go into the development of personality? Of all the complexities and unanswered questions in the study of human behaviour, this question may be the most difficult. For the convenience of study, the determinants of personality can be grouped into five broad categories:

i. Heredity

The role of heredity in the development of personality is an old argument in personality theory. Heredity refers to those factors that were determined at conception. Physical stature, facial attractiveness, energy level, muscle composition and reflexes and biological rhythms are characteristics that are generally considered to be imported either completely or substantially by one's parents. The heredity approach argues that the ultimate explanation of an individual's personality is the molecular structure of the genes, located in the chromosomes which contain thousands of genes, which seem to be transmitters of traits. The role of heredity on personality development is still an unsettled area of understanding. The problem is that geneticists face a major obstacle in gathering information scientifically on the human being. Nevertheless, the role of heredity on personality development cannot be totally minimized. Physical attributes, for instance, may be largely attributed to heredity.

The following classification of characteristics is said to be inherited by all humans-

- a. Physical Structure (how tall or short one is, whether one has a long or short nose, large or small feet — briefly, how one is put together)
- b. Reflexes (direct response to stimuli, such as withdrawing from a pin prick, blinking when something approaches the eye)
- c. Innate drives (impulses to act based on physiological tensions; but these must be linked through learning with activities which will reduce the tensions)

- d. Intelligence (the capacity to learn, to modify responses)
- e. Temperament (patterned and recurrent responses associated with basic emotional makeup for e.g.- phlegmatic, excitable and or lethargic)

ii. Environment

If all personality characteristics were by heredity, they would be fixed at birth and no amount of experience could alter them. Personality development owes as much to environment as it does to heredity. Environment is a broad term and includes such factors as culture. Culture establishes norms, attitudes and values that are passed along from one generation to the next and create consistencies overtime. Anthropologists, to whom culture as a subject belongs, have clearly demonstrated the important role culture plays in the development of the human personality.

While growing, the child learns to behave in ways expected by the culture of the family into which the baby was born. Most cultures expect different behaviour from males than from females.

Every culture has its own subcultures, each with its own views about such qualities as moral values, standards of cleanliness, style of dress and definitions of success. The cultural sub-group exerts its influence on personality. All boys are expected to show certain personality characteristics (as compared with girls), but a poor boy raised in an urban slum is expected to behave differently in some respects than a well-to-do raised in a middle class suburb.

Although culture has significant influence on personality development, linear relationship cannot be established between personality and the given culture, for 2 reasons:

- a. The culture impacts upon an individual are not uniform, because they are transmitted by certain people-parents and others who are not all alike in their values and practices.
- b. The individual has some experiences that are unique. Each individual reacts in his own way to social pressures, differences in behaviour being caused by biological factors.

iii. Contribution from the family

The family has considerable influence on personality development, particularly in the early stages. The parents play an important part in the identification process which is important to an individual's early development. The process can be examined from three different perspectives:

- a. First, identification can be viewed as the similarity of behaviour (including feelings and attitudes between child and model)
- b. Second, identification can be looked upon as the child's motives or desires to be like the model.
- c. Third, identification can be viewed as the process through which the child actually takes on the attributes of the model.

The overall home environment created by the parents, in addition to their direct influence, is critical to personality development. Siblings (brothers and sisters) also contribute to personality. It has been argued that, sibling position is an important psychological variable because it represents a microcosm of the significant social experience of adolescence and adulthood. It is argued that those first born are more prone to be schizophrenic, more susceptible to social pressures and more dependent than those later-born. The first born are also more likely to experience the world as more orderly, predictable and rational than later-born children.

iv. Socialization process

There is greater realization that other relevant persons, groups and organizations exercise their due role in personality development. This is commonly called the socialization process. It is especially relevant to organizational behaviour, because the process is not

confined to early childhood, rather taking place throughout one's life. In particular, evidence is accumulating that, socialization may be one of the best explanations of why employees behave the way they do in today's organizations.

Socializations involves the process by which a person acquires, from the enormously wide range of behavioural potentialities that are open to him or her, starting at birth, those behaviour patterns that are customary and acceptable to the standards of, initial', the family, and later the social group and the employing organization. Thus, socialization starts with the initial contact between mother and her new infant. After infancy, other members of immediate family (father, brothers, sisters and close relatives or friends) followed by the social group (peers, school friends and members of the working group) play influential roles.

v. Situational considerations

Above determinants discussed are no doubt important to personality, but it must be recognized that, it is the immediate situation which may predominate finally.

While it seems logical to suppose that, situations will influence an individual's personality, a neat classification scheme that would tell us the impact of various types of situations has so far eluded us. However, we do know that certain situations are more relevant than others in influencing personality. What is of taxonomically, wrote Lee Sechrest, is that situations seems to differ substantially in the constraints they impose on behaviour with some situations, e.g. church, constraining many behaviours and others, e.g., a picnic in a public park — constraining relative few. From the above discussion, it is clear that personality is a complex concept that reflects many influences both within and outside the individual. Personality progresses through identifiable stages and never really stops developing. One can, however, examine personality at any point in time within its developmental sequence in order to compare and contrast individual personalities.

3.8 PERSONALITY TRAITS

A trait is understood as a predisposition to respond in an equivalent manner to various kinds of stimuli. Traits, in effect, are psychological entities that render many stimuli as well as many responses equivalent. Many stimuli may evoke the same response, or many responses (perceptions, interpretations, feelings, actions) have the same functional meaning in terms of the traits. Various attempts have been made to isolate traits, but the efforts have been hindered because there are so many of them. However, it is virtually impossible to predict behaviour when such a large number of traits requires to be considered. As a result, attention has been directed towards reducing these thousands to a manageable number to ascertain the source of primary traits.

One researcher identified 171 surface traits but concluded that they were superficial and lacking descriptive power. What he sought was a reduced set of traits that would identify underlying patterns. The result was the identification of sixteen personality factors, which he called source or primary traits, that are basic underlying causes of surface traits.

- | | | | |
|-------|----------------------|----|-------------------------|
| i. | Reserved | Vs | Outgoing |
| ii. | Less intelligent | Vs | More intelligent |
| iii. | Affected by feelings | Vs | Emotionally more stable |
| iv. | Submissive | Vs | Dominant |
| v. | Serious | Vs | Happy-go-lucky |
| vi. | Expedient | Vs | Conscientious |
| vii. | Timid | Vs | Venturesome |
| viii. | Tough-minded | Vs | Sensitive |
| ix. | Trusting | Vs | Suspicious |
| x. | Practical | Vs | Imaginative |
| xi. | Fortright | Vs | Shrewd |
| xii. | Self-assumed | Vs | Apprehensive |

- xiii. Conservative Vs Experimenting
- xiv. Group dependent Vs Self-dependent
- xv. Uncontrolled Vs Controlled
- xvi. Relaxed Vs Tense

These sixteen traits have been found to be generally steady and constant sources of behaviour, subject, of course, to the influence of particular situations.

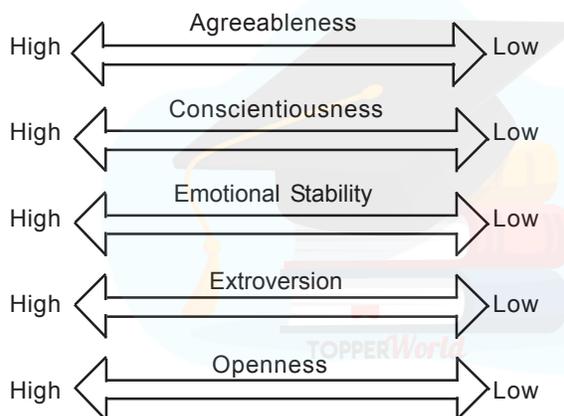
3.9 THE MYERS - BRIGGS FRAMEWORK

This is a popular questionnaire with 100 items and is widely used to understand personalities in organizations. Based on the classical work of Carl Jung, the Myers — Briggs Type Indicator (MBTI) asks people how they usually feel or act in particular situations. Based on the answers received, people are differentiated in terms of four general dimensions: sensing, intuiting, judging and perceiving. Highest and lower positions in each of the dimensions are used to classify people into sixteen different categories.

The MBTI is a popular instrument used to assess personality types. It is widely used in selection process. As many as two million people are reported to be taking it each year in the U.S. Research suggest that the MBTI is a very useful method for determining communication styles and interaction preferences. In terms of personality attributes, however, doubts exist about the validity and the stability of the instrument.

3.9.1 The Big Five Model

Stability and validity of the MBTI may be in doubt, but the same cannot be said for the five-factor model of personality — popularly called the “Big Five”.



Agreeableness refers to a person’s ability to get along with others. High agreeable people value harmony more than they value having their say or their way. They are co-operative and trusting others. People who low on agreeableness focus more on their own needs than the needs of are others.

Conscientiousness refers to the number of goals on which a person focuses. A high conscientiousness person focuses on relatively few goals at one time. He or she is likely to be organised; Systematic, careful, thorough, responsible, self-disciplined, and achievement-oriented. A person with low conscientious tends to focus on a more number of goals at one time. Consequently, the individual is more disorganized, careless and irresponsible, as well as less thorough and self-disciplined. Emotional stability focuses on an individual’s ability to cope up the stress. The individual with positive emotional stability tends to be calm, enthusiastic and secure. He or she with negative score tends to be nervous, depressed and insecure. Extroversion reflects a person’s comfort level with relationships. Extroverts are sociable, talkative, assertive and open to establishing new relationships. Introverts are less sociable, less talkative, less assertive and more reluctant to begin new relationships. Openness addresses one’s range of interests. Extremely open people are fascinated by novelty and innovation. They are willing to listen to new ideas and to change their own ideas, beliefs and attitudes in response to new information. On the other hand, people with low levels of openness tend to be less

respective to new ideas and less willing to change their minds. They also tend to have fewer and narrow interests and to be less curious and creative.

The “Big Five” framework continues to attract the attention of both researchers and managers. The potential value of this framework lies in the fact that it encompasses an integrated set of traits that appear to be valid predictions of certain behaviour in certain situations. However, the “Big Five” model is primarily based on research conducted in the U.S. Its generalibility to other cultures, therefore, presents unanswered questions.

3.10 MAJOR TRAITS INFLUENCING ORGANIZATIONAL BEHAVIOUR

There are many different personality traits, but some of the more important ones for organizational behaviour are authoritarianism, locus of control, machiavellianism, introversion-extroversion, achievement orientation, self-esteem, risk taking, self-monitoring and type A personality.

i. Authoritarianism

It is a concept developed by the psychologist Adorn during World War II to measure susceptibility to autocratic, fascistic or antidemocratic appeals. Since that time, the concept has been extended to the authoritarianism personality, a generic term used to describe an individual who has a strong belief in the legitimacy of established mechanisms of formal authority, views obedience to authority as necessary, exhibits a negative philosophy of people, adheres to conventional and traditional value systems, is intellectually rigid and opposes the use of subjective feelings. Authoritarians also tend to be rigid in their positions, place high moral value on their beliefs and are strongly oriented towards conformity to rules and regulations. They naturally prefer stable and structured work environments which are governed by clean rules and procedures. Similarly, authoritarians are likely to prefer autocratic or directive leadership and would exhibit high respect for individuals in positions of authority.

ii. Locus of Control

It refers to an individual’s belief that events are either within one’s control (internal locus of control) or are determined by forces beyond one’s control (external locus of control). These personality traits are manifested in different behaviour which are significant to manager. It has been proved that externals (those who believe that events are determined by external forces) are less satisfied with their jobs, have higher absenteeism rates, more alienated from work setting and are less involved on their jobs than internals (those who believe that events are within one’s control). Internals typically have more control over their own behaviour, are more active in seeking information to make decisions, and are more active socially than externals.

iii. Machiavellianism

It refers to an individual propensity to manipulate people. Machiavellians would be prone to participate in organizational politics. They are also adept at interpersonal game playing, power tactics and identifying influence system in organizations. Do the Machiavellians make good employees? The answer depends on the type of job and whether one considers ethical considerations in evaluating performance. In jobs that require bargaining skills (such as labour negotiation) or where there are substantial rewards for winning (commissioned sales), Machiavellians perform better.

iv. Introversion and Extroversion

These are the most common descriptions of personality traits. These terms are normally associated with an individual’s sociability and interpersonal orientation. Extroverts are gregarious and sociable individuals while introverts are shy, quiet and retiring. It is generally established that, introverts and extroverts have significantly different career orientations and require different organizational environments to maximize performance. Extroverts are more suitable for positions that require considerable interaction with others, whereas introverts are more inclined to excel at tasks that require thought and analytical skills. Not surprisingly, managerial

positions are dominated by extroverts, thus suggesting that, this managerial trait is a factor in managerial success.

v. Achievement Orientation

It is yet another personality character which varies among people and which can be used to predict certain behaviours. Employees with a high need to achieve, continually strive to do things better. They want to overcome obstacles, but they want to feel that their success or failure is due to their own actions (read internals). This means that they like tasks of moderate difficulty. An easy task shall not evoke challenges and is, therefore, not liked by high achievers. Similarly, a task with high risk is not linked by these people as the failure rates are more. Given the high achievers propensity for tasks where the outcome can be directly attributed to his or her efforts, the high achiever looks for challenges having approximately a 50-50 chance of success on the job, high achievers will perform better where there is moderate difficulty, rapid performance feedback and direct relationship between effort and reward. This means that the high achievers tend to do better in sales, sports or in management.

vi. Self-esteem

It refers to feeling of like or dislike of one-self. This trait, naturally, varies from person to person. Self-esteem is directly related to desire for success. People with high self-esteem believe that they have abilities to undertake challenging jobs. They tend to choose unconventional jobs than those with lower self-esteem. People with low self-esteem are more susceptible to external influence than are those with high esteem. Low esteems are dependent on the receipt of positive evaluation from others. As a result, they are more likely to seek approval from others and more prone to conform to the beliefs and behaviours of those they respect than high esteems. In managerial positions, low esteems will tend to be concerned with pleasing others, and therefore less likely to take unpopular stands than high esteems. Self-esteem is also related to job satisfaction. High esteems are more satisfied with their jobs than the low esteems.

vii. Risk-taking

People differ in their willingness to take chances. Their propensity to assume or avoid risk has been shown to have an impact on how long it takes managers to make a decision and how much information they require before making their choice. For instance, 79 managers worked on simulated personnel exercise that required them to make decisions. High-risk-taking managers made more rapid decisions and used less information in making their choices than did low-risk-taking managers. Interestingly, the decision accuracy was the same for both groups.

While it is generally correct to conclude that managers in organizations are risk averse, there are still individual differences on this dimension. As a result, it makes sense to recognise these differences and even to consider aligning risk-taking propensity with specific job demands. For instance, a high-risk-taking propensity may lead to more effective performance for a stock trader in a brokerage firm. This type of job, demands rapid decision-making. On the other hand, this personality characteristics might prove a major obstacle to accountants performing auditing activities. This latter job might be better filled by someone with a low-risk-taking propensity.

viii. Self-monitoring

It refers to an individual's ability to adjust his or her behaviour to external factors. Individuals high in self-monitoring can show considerable adaptability in adjusting their behaviour to external, situational factors. They are highly sensitive to external cues and can behave differently in different situations. High self-monitors are capable of presenting striking contradictions between their public, personal and their private selves. Low self-monitors cannot deviate their behaviour. They tend to display their true dispositions and attitude in every situation, hence there is high behavioural consistency between who they are and what they do.

The high self-monitors tend to pay closer attention to the behaviour of others and are more capable of conforming than are low self-monitors. We might also hypothesise that high self-monitors will be more successful in managerial positions where individuals are required to play multiple and even contradicting roles. The high self-monitor is capable of putting on different “faces” for different audiences.

ix. Type of personality

Finally, there is type ‘A’ personality and type ‘B’ personality. Type A personality typifies a person who is always in a hurry, is extremely competitive and is often hostile and irritable. Opposite is Type B personality who is relaxed, incompetent and easy going. How do the two perform in organizations? Type A’s are no doubt highly competitive and hardworking. But it is the Type ‘B’ who climbs up to the top of organization. Type A’s will make most successful sales people and senior executive yes are usually Type B’s. Why this paradoxes? Answer lies in the tendency of Type A’s to trade off quality of effort for quantity. Executive positions usually go to those who are patient rather than to those who are merely hasty, to those who are tactful rather than to those who are hostile and to those who are creative rather than to those who are merely agile in competitive strife.

3.11 PERSONALITY AND ORGANIZATIONAL BEHAVIOUR

Personality is an important determinant of employee behaviour. If an employee likes monotonous or boring work; if he steadfastly refuses additional responsibilities in the form of promotion; if a supervisor fails to reprimand an unruly subordinate; or if a middle level manager tries to climb over you the ladder to reach the top of an organization callously ignoring ethical considerations; the explanation for such behaviour in each case depends on the individual personality, which predisposes an individual to certain behavioural patterns. Thoughtful application of personality concepts, through subjective, helps us understand unique beings and groups with similar personality characteristics.

Personality is the focal point determining motivation. It is impossible to give a full and comprehensive account of executive behaviour without raising questions of why they behave as they do. For e.g., why do effective executives spend so much time on personnel matters? Why don’t they concentrate their efforts on production? When we ask such questions regarding executive behaviour, we are trying to explore questions of motivation. Motivation is concerned with the study of the direction and persistence of action. Personality is the organism centre around which people’s motives form a unified and integrated system.

Personality characteristics into centrifugation of individuals to occupy various positions in an organization. The traits required for a successful sales manager are different from those required for an executive in charge of production.

The concept of personality is not be understood in an organizational context only. The need for understanding human characteristics, in general is more significant than comprehending personality in the context of organizations.

Despite serious attempts, experts have not been able to comprehend the real nature of personality. Of all the problems that have confronted human beings since the beginning of recorded history, perhaps the most significant has been the riddle of their own nature. Attempts to answer ‘what is man?’ are countless, a great many avenues have been explored with an enormous variety of concepts being employed along the way. Astrology, philosophy and the life sciences are but a few of the many directions that the quest to understand human nature has taken. At this point in history, some of these avenues have been proved to dead ends, while other are just beginning to flourish. And today the problem is more pressing than ever, since most of the world’s ills, for example: overpopulation, war, pollution, prejudice are brought about by the behaviour of people. So it may not be overstating the case to say that the quality of human life in the future, indeed our own survival, may well depend upon an increased understanding of human nature.

Check your Progress - 3.11

Q.1 Fill in the blanks:

- 1) The word personality in English is derived from the Latin word
- 2) The distinctiveness of an individual, when it is exhibited in a large number of situations is called

Q.2 Define personality.

.....

Q.3 What are the theories of personality?

.....

Q.4 What are the determinants of personality?

.....

Q.5 What are the major traits influencing OB?

.....

3.12 ATTITUDES

Attitude is important variable in human behaviour:

Nature

The salient features which contribute to the meaning of attitudes are:

- i. Attitudes refer to feelings and beliefs of individuals or groups of individuals.
- ii. The feelings and beliefs are directed towards other people, objects or ideas.
- iii. Attitudes tend to result in behaviour or action.
- iv. Attitude can fall anywhere along a continuum from very favourable to very unfavourable.
- v. Attitudes endure.
- vi. All people, irrespective of their status or intelligence, hold attitudes. Some of the definitions of attitude are as below:
 - a. "The word attitude describes a persistent tendency to feel and behave in a particular way towards some object".
 - b. "Attitudes are evaluative statements either favourable or unfavourable concerning objects, people or events. They reflect how one feels about something".
 - c. "Attitudes are learned predispositions towards aspects of our environment. They may be positively or negatively directed towards certain people, service or institutions".

3.13 FORMATION OF ATTITUDE

Individuals acquire attitudes from several sources, but the point to be stressed is that the attitudes are acquired, but not inherited. The most important sources of acquiring attitudes are:

- i. **Direct experience with the object**
Attitudes can develop from a personally rewarding or punishing experience with an object. Employees form attitudes about jobs on their previous experiences. For e.g., if everyone who has held a job has been promoted within six months, current job holders are likely to believe that they will also be promoted within six months. Attitudes formed on experience are difficult to change.
- ii. **Classical conditioning and attitude**
One of the basic processes underlying attitude formation can be explained on the basis of learning principles. People develop associations between various objects and the emotional reactions that accompany them. For e.g., many soldiers who were stationed in the Persian Gulf during the war with Iraq reported that, they never wanted to sit on a sandy beach again. This is the soldiers formed negative attitudes towards sand. Similarly, positive associations can develop through classical conditioning. Advertisers make use of the principles of classical conditioning of attitudes by attempting to link a product they want consumers to buy with a positive feeling or event.
- iii. **Operant conditioning and Attitude acquisition**
Another learning process, operant conditioning, also underlies attitude acquisition. Attitudes that are reinforced, either verbally or non-verbally, tend to be maintained. Conversely, a person who states an attitude that elicits ridicule from others may modify or abandon the attitude. But it is not only direct reinforcement or punishment that can influence attitudes.
- iv. **Vicarious learning**
In which a person learns something through the observance of others, can also account for attitude development — particularly when the individual has no direct experience with the object about which the attitude is held. It is through vicariously learning processes that children pick up the prejudice of their parents.

We also learn attitudes vicariously through television, films and other media.

- a. **Family and Peer groups**
A person may learn attitudes through imitation of parents. If parents have positive attitude towards an object and the child admires his parents, he is likely to adopt a similar attitude, even without being told about the object and even without having direct experience. Attitudes towards the opposite sex, religion, tolerance or prejudice, education, occupations and almost all other areas where attitudes are capable of expression are the result of our accepting or rejecting the attitudes held by members of our family. Similarly, attitudes are acquired from peer groups in colleges and organizations.
- b. **Neighbourhood**
The neighborhoods we live has a certain structure in terms of its having cultural facilities, religious groupings and possibly ethnic differences. Further, it has people who are neighbours. Neighbouring — adults or children- tolerate, condone, or deny certain attitudes and behaviour and as a result we are either Northerners or Southerners. Further, we accept these moves and conform, or we deny them and possibly rebel. The conformity or rebellion in some respects is the evidence of the attitudes we hold.
- c. **Economic status and occupations**
Our economic and occupational positions also contribute to attitude formation. They determine, in part, our attitudes towards unions and management and our belief that certain laws are “good” or “bad”. Our socio-economic background influences our present and future attitudes.
- d. **Mass communication**
All varieties of mass communications — televisions, radio, newspaper and magazines feed their audiences large quantities of information. The presentation of news or information is constructed so as to cater to the attitude of the audience. In turn, the audience selects the specific form of mass communication that best reflects

its attitudes on various subjects. The material we select helps us either to substantiate our opinions or to establish new ones.

3.14 TYPES OF ATTITUDES

Individuals possess hundreds of attitudes. But in organizational behaviour, we are concerned with work related attitudes which are mainly three:

i. Job Satisfaction

Job satisfaction refers to one's feeling towards one's job. An individual having satisfaction is said to possess positive attitude towards the job. Conversely, a dissatisfied person will have negative attitude towards his other job. When people speak of employee attitudes they invariably refer to job satisfaction. In fact, the two terms are used interchangeably, though subtle difference does exist between the two.

ii. Job Involvement

Job involvement refers to the degree with which an individual identifies psychologically with his or her job and perceives his or her perceived performance level important to self worth. High degree of job involvement results in fewer absence and lower resignation rates.

iii. Organizational Commitment

The last job attitude refers to organizational commitment. It is understood as one's identification with his or her organization and feels proud of being its employee. Job involvement refers to one's attachment to a job whereas organizational commitment implies an employee's identification with a particular organization and its goals. Needless to say, it is to state that, an individual may be attached to his or her job but may be indifferent to the organization and its objectives. Turnover and absenteeism are low when employees have organizational commitment.

3.15 FUNCTIONS OF ATTITUDE

Why do we hold on to certain attitudes towards individuals or objects? It is because these attitudes help us respond to the individuals or objects in a meaningful way. Attitudes serve four important functions:

i. Utilitarian

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

For Example

A car salesman may develop favourable attitudes towards blue-collar workers, to whom he can easily sell, and a negative attitude towards doctors, who he finds always searching for a bargain and difficult to sell to. He associates success and profit with blue collar workers and failure and difficulty with doctors and thus he develops appropriate attitudes towards those objects through association.

ii. Ego-defence

People often form and maintain certain attitudes to protect their own self-images. For e.g., workers may feel threatened by the employment or advancement of minority or female workers in their organization. These threatened workers may develop prejudices against the new workers. They may develop an attitude that such newcomers are less qualified, and they might mistreat these workers. Such an ego defensive attitude is formed and used to cope with a feeling of guilt or threat. Unless this feeling is removed, this kind of attitude will remain unchanged.

iii. Value Expressive

Our attitude reflects our value systems. And our value expressive attitudes are closely related to our self- concept. One whose central value is freedom, the individual may express very positive attitudes towards decentralization of authority in the organization, flexible work schedules and relaxation of dress standards.

iv. Knowledge

Attitude is often substituted for knowledge. In the absence of knowledge, we use our attitude to organise and make sense out of the perceived object or person. For e.g., people who are not familiar with nuclear energy may develop an attitude that it is dangerous and should not be used as an energy source. Stereotyping is another example. In the absence of knowledge about a person, we may use a stereotyped attitude for judging the person.

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

3.16 CHANGING ATTITUDE

Attitudes of employees can be changed and it is in the best interest of the organization to try for the change. But change is difficult as there are barriers to it.

3.16.1 Barriers to Change

One obstacle to the change of attitude is the attitude theory of balance and consistency. That is, human beings prefer their attitudes about people and things to be in line (i.e. balanced, consistent) with their behaviours towards each other and objects. When attitudes or behaviours are not consistent, people usually seek to reduce the inconsistency rewarding internally. Leon Festinger has developed a theory in support of attitude consistency called cognitive dissonance. Festinger’s theory states that dissonance makes an individual feel uncomfortable. This feeling makes the individual try to reduce dissonance.

Cognitive dissonance also occurs when a person behaves in a fashion that is inconsistent with his or her attitudes. For e.g., a person may realize that smoking and overeating are dangerous, yet continue to do both. Because the attitudes and behaviour are not consistent with each other, the person probably will experience a certain amount of tension and discomfort and may engage in dissonance reduction, seeking ways to reduce the dissonance and tension it causes. The dissonance associated with smoking might be resolved by rationalizing. In general, the person attempts to change the attitude, alter the behaviour or perceptually distort the circumstances to reduce tension and discomfort. In the organizational setting, cognitive dissonance occurs when an employee desires to leave the present job as there is no use in continuing and working hard. The individual may rationalize his or her stay with such explanations as, “organization is not bad after all” or “what is the alternative?”

3.16.2 The second barrier

The second barrier to change of attitude is prior commitments. This occurs when people feel a commitment to a particular course of action and are unwilling to change.

3.16.3 The third barrier

The third barrier results from insufficient information. Sometimes people see no reason why they should change their attitudes. The boss may not like a subordinate’s negative attitude, but the latter may be quite pleased with his behaviour. Unless the boss can show the individual why a negative attitude is detrimental to career progress or

salary increases or some other personal objective, the subordinate may continue to have negative attitude.

3.17 WAYS OF CHANGING

A few important ways of changing attitudes have been described below:

i. Providing new information

New information will help change attitudes. Negative attitudes are mainly formed owing to lack of or insufficient information. Workers generally become pro-union because of the ignorance about the good intentions of the management. Once they come to know how the management cares for the welfare of the workers, they change their attitude and might turn pro-management.

ii. Use of Fear

Fear can change attitude. However, the change depends on the degree of fear. For e.g., if low levels of fear arousals are used, people often ignore them. The warnings are not strong enough to warrant attention. If moderate levels of fear arousals are used, people often become aware of situation and will change their attitudes. However, if high degrees of fear arousal are used, people often reject the message, because it is too threatening and thus not believable. On the contrary, high degrees of fear may prove counter productive. On being threatened too far, people tend to become stubborn in their attitudes and may refuse to change.

iii. Influence of friends or peers

Change of attitude can come about through persuasion of friends or peers. Credibility of the others, specially peers, is important to effect change. Peers with high creditability shall exercise significant influence on change. The same is not true with peers who have low creditabilities.

iv. The co-opting approach

Co-opting is another way of changing attitude. This means taking people who are dissatisfied with a situation and getting them involved in improving things.

v. Others

Research has shown that an individual is more likely to change a privately held attitude than one he has stated publicly. It is, therefore, necessary that a situation is avoided where the individual makes his attitude public prior to the change attempt.

The individual from a culturally deprived environment who holds an array of hostile attitudes, may change when he is given opportunities for education. A person from privileged subculture, who has always held to a democratic attitude, may become negative towards some group because of one unfortunate experience. Again, through continued association with others holding similar attitudes, one can be influenced in a positive or negative direction. Here the attitudes of both the reference group and the social climate are important.

3.18 TYPES OF CHANGE

Attitude change may be classified into congruent and incongruent change. Congruent change in attitude involves a movement in the same direction but with reduced intensity of feeling. For e.g., a negative or positive attitude of a boss towards his subordinate will persist, but the degree of like or dislike is reduced. Incongruent change involves change of direction itself from positive (or negative) attitude towards a person to negative (or positive) attitude towards the same person. This change is observable in behavioural terms such as change in retail store purchases, resigning from an organization or joining one.

3.19 ATTITUDE AND OB

Employee attitudes are important to management because of their influence on behaviour, attitudinal influences or perception, job-satisfaction, job-involvement, and organizational commitment.

3.19.1 Attitudinal Influences on Behaviour

Attitudes affect employee behaviour. However, a direct relationship between attitudes and actions is not agreeable to some, since attitude does not lead to any specific action. For e.g., a manager may dislike certain people in minority groups, but he may nevertheless treat them fairly and pleasantly in his office. This inconsistency occurs because the manager does not allow his attitude to interfere with his professional judgement. However, these attitudes may manifest themselves in other behaviour. For e.g., the manager may treat the minority workers fairly on the job but not invite them to his son's or daughter's marriage.

Although the influence of attitudes on behaviour is not clearly discernible, two theories, i.e. cognitive dissonance and self fulfilling prophecy, helps us understand the direction of attitudinal influences.

Cognitive dissonance will be more intense when any of the following conditions exist:

- i. The decision is an important one psychologically or financially.
- ii. There are a number of foregone alternatives.
- iii. The foregone alternatives have many positive features. Typically an individual will try to minimize the dissonance by using any of the four methods. The methods are:
 - i. The individual seeks information that confirms the wisdom of the decision.
 - ii. The individual selectively perceives (distorts) information in a way that supports the decision.
 - iii. The person adopts a less favourable attitude towards the foregone alternatives.
 - iv. The person down plays the importance of any negative aspects of the choice and magnifies the positive elements.

The self fulfilling prophecy is the process by which we try to convert our attitudes, beliefs and expectations into reality. If we predict that something is going to happen, we will try very hard to make it happen. For e.g., if we feel that we are competent, we will undertake challenging tasks.

Consequently, we gain experience and skills that make us more competent, so that we accomplish even more. However, if we have a negative attitude towards ourselves, we will not provide ourselves with the chance to become competent.

3.19.2 Attitudinal Influence on Perception

Perceptual outcomes are derived from past experiences and perceptions, but they also influence the way we perceive stimuli such sayings as "Beauty is altogether in the eye of the beholder" and "one person's trash is another person's treasure" emphasise the importance of attitudes in perceiving the world around us. If our attitudes are positive, things will look brighter to us than if they are negative.

Check your Progress – 3.19

1) What are the types of attitude?

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2) What are the functions of attitude?

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3) What are the ways of changing attitude?

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3.20 JOB SATISFACTION

Employee attitudes are important to monitor, understand and manage. They develop as a consequences of the feelings of equality or inequality in the reward system as well as from supervisory treatment. Managers are particularly concerned with three types of attitudes, namely job satisfaction, job involvement and organizational commitment.

Although many of the factors contributing to job satisfaction are under the control of managers, it is also true that people do differ in their personal dispositions as they enter organizations. Some people are optimistic, upbeat, cheerful and courteous. They are said to have positive affectivity. Others are generally pessimistic, downbeat, irritable and even abrasive. They are said to have negative affectivity. Appears that people are predisposed to be satisfied or dissatisfied. But it is important to explore the nature and effect of job satisfaction.

3.20.1 Elements of job satisfaction

Job satisfaction is a set of favourable or non-favourable feelings and emotions with which employees view their work. Job satisfaction is an affective attitude. Job satisfaction refers to the attitude of an individual single employee. The general term used to describe overall group satisfaction is MORALE. Group morale is important to monitor since individuals often take their social cues from their work associates and adapt their attitudes to conform to those of the group.

Job satisfaction studies focus on various parts that are believed to be important, since job-related attitudes predispose an employee to behave in certain ways. Important elements of job satisfaction include pay, one's supervisor, the nature of tasks performed, an employers co-workers or team and the immediate working conditions. Managers should not allow an employee's high satisfaction on one element to offset high dissatisfaction on another by arithmetically bonding both feelings into an average rating. The attention should be divided between elements that are related to job content (i.e. nature of job) and those which are part of the job-context. (supervisor, co-workers and organization)

Like attitudes, job satisfaction or dissatisfaction emerges over a long period of time, but job satisfaction is dynamic. Manager must pay attention to employee attitudes week after week, month after month, year after year since the stability in job satisfaction varies in level.

Job satisfaction is one part of life satisfaction. So, it is said that there is a spill-over effect that occurs in both directions between job and life satisfaction. Therefore, managers need to monitor not only job and immediate work environment but also their employee's attitudes towards other parts of life.

The level of job satisfaction across groups is not constant, but is related to number of variables. The key variables revolve around age, occupational level and organizational size. The level of job satisfaction are higher in smaller organization units. Larger organizations tend to overwhelm with people, disrupt supportive processes and limit the amounts of personal closeness, friendship, and small group team work that are important aspects of job satisfaction for many.

3.21 JOB INVOLVEMENT

Two other distinct but related, employee attitudes are important to many employers in addition to job satisfaction. Job involvement is the degree to which employees immerse themselves in their job, invest time and energy in them and view work as a central part of their overall lives. Job-involved employees are likely to believe in the work, to exhibit high growth needs, and to enjoy participation in decision making. As a result, they are willing to work long hours and they will attempt to be high performers.

3.22 ORGANIZATIONAL COMMITMENT

Organizational commitment or employee loyalty, is the degree to which an employee identifies with the organization and wants to continue actively participating in it. It is a measure of the employee's willingness to remain with a firm in the future. It reflects the

employee's belief in the mission and goals of the firm, willingness to expend effort in their accomplishment and intentions to continue working here. Commitment is usually stronger among longer term employees. Organizationally committed employees will usually have good attendance records, demonstrate a willing abstinence to company policies, lower turnover rates. A comprehensive approach to OB suggests that a manager should consider ways in which the work environment can help produce all three key employee attitudes — job satisfaction, job involvement and organizational commitment. Higher job involvement tends to higher levels of dedication and productivity in workers. High performance and equitable rewards encourage high satisfaction through a performance-satisfaction-effort loop. Higher job satisfaction usually is associated with lower turnover and fewer absence. Committed employees are also more likely to embrace company values and its culture.

3.23 VALUES

Value is generally used in two different ways: as a characteristic of an object or as an attribute possessed by an individual and thought desirable. The focus here is on the latter.

A value is defined as a “concept of the desirable, an internalizes criterion of standard of evaluation a person possesses. Such concepts and standards are relatively few and determined or guide an individual's evaluation of the many objects encountered in everyday life”.

Values are tinged with moral flavor, involving an individual's judgement of what is right, good or desirable. Thus, values provide standards of competence and morality.

- i. Are fewer in number than attitudes.
- ii. Transcend specific objects, situations or persons.
- iii. Are relatively permanent and resistant to change.
- iv. Are most central to the core of a person.

3.23.1 Values and Attitudes

There are differences between values and attitudes. Attitudes essentially represent predisposition's to respond. Values focus on the judgement of what ought to be. This judgement can represent the specific manifestation of a determining tendency below the surface of the behaviour. Attitudes represent several beliefs focussed on a specific object or situation. Value, on the other hand, represents a single belief that transcendently guides actions and judgements across objects and situations. Finally, a value stands in relation to some social or cultural standards or norms while attitudes are mostly personal experiences.

There are similarity between values and attitudes. Both are powerful instruments influencing cognitive process and behaviour of people both are learned and acquired from the same sources — experience with people and objects. Values and attitudes are relatively permanent and are resistant to change. Finally, values and attitudes influence each other and are, more often than not, used interchangeably.

3.23.2 TYPES OF VALUES

In extensive research conducted during the last 2 decades, Milton Rokeach has identified 2 basic types of values- terminal and instrumental. A terminal value is an ultimate goal in a desired status or outcome. An instrumental value, on the other hand, is a tool or means for acquiring a terminal value. For e.g., a person may desire and strive to achieve happiness, a terminal value by being ambitious, independent and responsible (instrumental values).

Some of the terminal values are- Equality, Freedom, Family Security, Happiness, National security. Some of the Instrumental values are — Ambitious, Broad-minded, Capable, Cheerful, Honest.

The different values an individual has, both terminal and instrumental, combine to create an enduring cluster of values, a value system. Our values and value system then are primary determinants of who and what we are as individual.

Another way of categorizing values is given below:

Theoretical — Interest in the discovery of truth through reasoning and systematic thinking.

- i. Economics- Interest useful and practicality, including the accumulation of wealth.
- ii. Aesthetic- Interest in beauty, form and artistic harmony.
- iii. Social- Interest in people and love as a relationship.
- iv. Political- Interest in gaining power and influencing people.
- v. Religious- Interest in unity and understanding the cosmos as a whole.

3.23.3 Formation of Values

Values are learned and acquired primarily through experience with people, institution. Parents, for e.g., will have substantial influence on the values of their children values. Parents relation to everyday events demonstrates what is good and bad, acceptable and unacceptable, and important and unimportant values are also taught and reinforced interest in schools, religious organization, and social groups. As we grow and develop, each source of influence contributes to our definition of what is important in life.

Cultural moves have influence on the formation of values. Basic conviction of what is good or bad are derived from one's satisfaction about own culture.

3.23.4 Values and OB

An understanding of values is useful to a manager interest following ways:

- i. Values are important to the study of OB because they lay the foundation for the understanding of attitudes and motivation as well as influencing our perception. Individual enter an organization with preconceived notion of what "ought" and what "ought not" to be. Of course, these notions are not value free. On the contrary they contain interpretation of right and wrong. Further, they imply that certain behaviours or outcomes are preferred over others. As a result, it clouds objectivity and rationality.
- ii. Values generally influence attitudes and behaviour. Suppose an individual enters an organization with the view that allocating pay on the basis of performance is right, whereas allocating pay on the basis of seniority is wrong or inferior. He is likely to get disappointed if the organization rewards seniority and merit, disappointment is likely to lead to dissatisfaction and decline interest performance. His attitude and behaviour would be different if his values are aligned with the organization's pay policies.
- iii. The challenge and relationship-examination of established work values constitute of the cornerstones of the current management revolution all over the world. Hence, an understanding of values becomes a necessity
- iv. Values differ across culture What is permissible in the U.S may be simple considreation. Strangely, majority of the principles and concepts of OB have been developed by American, using American subjects within domestic context. A study of more than 11000 articles published in 24 management and OB journals over a ten-year period reveals that, approximately 80% of studies have been done in the U.S and have been conducted by Americans. This implies that OB specialists should remember that, no theories and principles are universally applicable to managing people around the world. They should take into consideration cultural values when trying to understand the behaviours of people's interest different in countries.

3.24 JOB SATISFACTION

It is useful to highlight the important aspects of job satisfaction. The important dimensions to Job satisfaction are:

- i. Job satisfaction refers to one's feeling towards one's job. It can only be inferred but not seen.
- ii. Job satisfaction is often determined by how well outcomes meet or exceed expectations. Satisfaction with one's job means increased commitment in the

fulfillment of formal requirements. There is greater willingness to invest personal energy and time into job performance.

- iii. The terms job satisfaction and job attitudes are typically used interchangeably. Both refer to effective orientation on the part of individuals towards their work and roles which they are presently occupying. Positive attitudes towards the job are conceptually equivalent to job satisfaction and negative attitudes towards the job dissatisfaction:

Though the terms job satisfaction and attitudes are used interchangeably, there are differences between the two. Job satisfaction, on the other hand, relates to performance factor. Attitudes reflect ones feeling towards individuals, organizations and objects. But satisfaction refers to one's attitude to a job. Job satisfaction is therefore, a specific subset of attitudes. Attitudes endure generally, but job satisfaction is dynamic, it can decline ever more quickly than developed. Managers, therefore, cannot establish the conditions leading to high satisfaction as now and then employee needs may change. Managers need to pay attention to job satisfaction constantly.

Some of the few definitions of job satisfaction:

- a. Job satisfaction is defined as a "pleasurable or positive emotional state resulting from the appraisal of one's job or job experience".
- b. Job satisfaction is a set of favourable or unfavourable feeling with which employees view their work.
- c. Job satisfaction will be defined as the amount of overall positive affect (or feeling) that individual have towards their jobs.

Consequences of satisfaction

High job satisfaction may lead to improved productivity, increased turnover, improved attendance, less job stress and lower unionization

i. Productivity

The relationship between satisfaction and productivity is not definitely established. The result, however, is that in the long run job satisfaction leads to increased productivity. But, 4 decades of research into this issue, unfortunately, does not lend support to this belief.

First, the relationship between job satisfaction and job performance is weak. (Brafield and Crockett, 1955 and from 1964). Interestingly, the latest finding is that the median correlation between satisfaction and performance is only 0.14

Second, there is more evidence to suggest that job performance leads to job satisfaction and the other way round (Lawler and Porter, 1967). An employee who performs well in his job gets both intrinsic and extrinsic rewards which will lead to his satisfaction. A poor performance will make him feel worse about his incompetence and will receive fewer rewards. He will be less satisfied with his work experience.

Third, there are some conditions under which high productivity, more clearly leads to high job satisfaction. One condition is that the employee perceives that, intrinsic and extrinsic rewards are contingent upon his productivity. The second condition is that, the extrinsic rewards (pay for example) be distributed equitably. Inequitable distribution fails to convince the employees that there is close correlation between hard work and rewards.

However, the adage "a happy worker is a productive worker" is not always wrong. True, there may not be a relationship between job satisfaction and productivity. Performance may be affected indirectly by absenteeism or turnover which is related (negatively) to satisfaction.

ii. Job satisfaction and Employee Turnover

High employee turnover is of considerable concern for employee because it disrupts normal operations, causes morale problems for those who stick on and increases the cost involved in selecting and training replacements. The employer does whatever possible to minimize turnover, making the employee feel satisfied on their jobs, being one such.

Unlike the relationship between satisfaction and productivity, the connection with turnover is established beyond doubt.

However, the withdrawal behaviour of employee is modified by certain factors. Loyalty to the organization is one such. Some employees cannot imagine themselves working elsewhere, however dissatisfied they are in their present jobs. Availability of other places of employment also influence turnover. If greener pastures are available, an employee does not mind going in search of them, notwithstanding the present level of job satisfaction he enjoys.

iii. Satisfaction and Absences

Correlation of satisfaction to absenteeism is also proved conclusively. Workers who are dissatisfied are more likely to take “mental health” days i.e. days off due to illness or personal business. Simply stated, absenteeism is high when satisfaction is low. As in turnover, absenteeism is subject to modification by certain factors. The degree to which people feel that their jobs are important has a moderating influence on their absences. Employees who feel that their work is important tend to clock in regular attendance. Besides, it is important to remember that while high job satisfaction will not necessarily result in low absenteeism, low satisfaction is likely to bring about high absenteeism.

iv. Satisfaction and Safety

Poor safety practices are a negative consequence of low satisfaction level. When people are discouraged about their jobs, company and superiors, they are more liable to experience accidents. An underlying reason for such accidents is that, discouragement may take one's attention away from the task at hand. Inattention leads to accidents. For e.g., many hand injuries from poorer tools can be attributed to the operator not paying careful attention.

v. Satisfaction and Job stress

Job stress is the body's response to any job-related factor that threatens to disturb the person's equilibrium. In the process of experiencing stress, the employee's inner state changes. Prolonged stress can cause the employee serious ailment such as heart disease, ulcer, lower back pain and muscles aches. Chronic job dissatisfaction is a powerful source of job stress. The employee may see no satisfactory short-term solution to escaping this type of stress. An employee trapped in a dissatisfying job may withdraw by such means as high absenteeism and tardiness or the employee may quit.

Employee under prolonged stress stemming from job dissatisfaction often consume too much alcohol, tobacco and drugs. These employees are costly to the management in terms of time lost due to frequent absences and increased payment towards medical reimbursement.

vi. Unionization

It is proved that job dissatisfaction is a major cause for unionization. Dissatisfaction with wages, job security, fringe benefits, chances for promotion and treatment by superiors are reasons which make employees join unions. Another dimension is that job dissatisfaction can have an impact on the tendency to take action within the union, such as filing grievances or striking.

Other effects of Job-Satisfaction

In addition to above, it has been claimed that a satisfied employee tend to have better mental and physical health and learn new job- related tasks more quickly. Practicing manager and OB researcher would agree that, job satisfaction is important to an organization. Critics however, point out that, this is pure conjecture because there is so much we do not know about the positive effects of satisfaction. On the other hand, when job satisfaction is low, there seems to be negative effects on the organization that have been documented. So, if only from the stand point of viewing job satisfaction as a minimum requirement or point of departure, it is of value to the organization's overall health and effectiveness and is deserving of study and application in the field of OB.

Sources of job satisfaction

Several job element contribute to job satisfaction .The most important amongst them are wage structure, nature of work, promotion chances, quality of superior, work group and working conditions

i. Wages

Wages play a significant role in influencing job satisfaction. This is because of 2 reason. First, money is an instrument in fulfilling one's needs, and two, employees often see pay as a reflection of management's concern for them. Employee 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 pay that matters, rather it is one's perception of fairness.

ii. Nature of works

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 job satisfaction.

iii. 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 organization 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 realized, he feels extremely satisfied.

iv. Supervisions

There is a positive relationship between the quality of supervisor and job satisfaction. Supervisor who establishes a supportive personal relationship with subordinates and takes a personal interest in them, contributes to their employee satisfaction. On realizing the role of supervision in creating satisfaction, a number or supervisory roles have been suggested for the purpose. Some of the supervisory roles are:

- a. Maintain open lines of communication
- b. Create a good physical environment.
- c. Remedy sub-standard conditions.
- d. Transfer discontent employees.
- e. Change the perception of dissatisfied employees.
- f. Display concern for employees.
- g. Give ample recognition.

- h. Allow for participative in management.
- i. Practice good management
- j. Conduct morale building programs.

v. Work Group

Work Group does serve as a source of satisfaction to individual employees. It does so, primarily by providing the group member, with opportunities for interaction, with each other. It is well known that, for many employees, work fills the need for social interaction. The work group is a even stronger source of satisfaction when members have similar attitudes and values. Having people around with similar attitudes causes less friction on day to day basis. Co-worker's with similar attitudes and values can provide some confirmation of people's self concept.

vi. Working condition

Working condition 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 work place and adequate tools and equipment are the features which affect job satisfaction.

The assumption that working condition and satisfaction are interrelated contradicts the two-factor theory of motivation. According to this theory, working conditions are a part of maintenance factor which, when provided, help remove dissatisfaction. And the opposite of dissatisfaction is no dissatisfaction, but not satisfaction. Thus, while working condition 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 workers are not satisfying dissatisfaction by favourable or unfavourable work environment.

Check your Progress – 3.24

Fill in the blanks:

- 1)refers to the degree with which an individual identifies psychologically with his or her job perceives his or her perceived performance.
- 2)implies an employee's identifications with a particular organization and its goals.
- 3)are included and are passed through generations to generations by specific groups and institutions.

3.25 SUMMARY

Personality refers to the internal and external traits of on individual which are relatively stable and which make the individual different from others. According to type theories, personalities are categorized into groups based on physical features and psychological factors. The trait theory seeks to categories people based on their traits.

Freud's psychoanalytic theory seeks to explain personality as comprising id, ego and superego. The social learning theory emplacing the process of learning. Situation is considered to be on important determinant of behaviour. Roger's self theory lays emphasis on how an individual perceives the world around and the self.

Personality is the product of heredity, environment, and family, social and situational factors. The "Big Five" personality trait includes extroversion, agreeableness, conscientiousness, emotional stability and openness of experience.

Understanding personality is very important as it influences behaviour, as well as perception and attitudes. Personality profiles help categorize people and predict their performance too.

3.26 CHECK YOUR PROGRESS – ANSWERS

3.11

- Q.1 i) Persona
ii) Personality Trait.

Q.2 “The sum total of ways in which an individual reacts and interacts with others.”

- Q.3 Psychoanalytic Theory
Traits Theory
Type Theory
Socio – Psychological Theory
Self Theory

Q.4 Heredity, Environment, Situation, culture and Individual Personality

Q.5 Locus of control, self-esteem, self-monitoring, Machiavellianism Tolerance for ambiguity, Type A and B, Risk Taking.

3.19

- 1) Job satisfaction, job Involvement, Organizational commitment.
- 2) The Adjustment Function
Ego defensive Function
Value-expressive Function
Knowledge Function
- 3) Providing new information, use of fear, resolving discrepancies, influence of friends and peer, co-opting.

3.24

- 1) Job involvement
- 2) Organizational commitment
- 3) Values.

3.27 QUESTIONS FOR SELF - STUDY

- 1) Explain the traits and type theory of personality.
- 2) List and explain the major traits influencing organizational behaviour.
- 3) Define attitude. Explain the various ways of changing attitude.
- 4) Explain the psychoanalytic and social learning theory of personality.
- 5) Write short notes on:
 - a) Job Satisfaction
 - b) Organizational Commitment
 - c) The “Big Five” Model

3.28 SUGGESTED READINGS

Organizational Behavior – by Stephen Robins – Prentice Hall Publications

Organizational Behavior – by K. Ashwathappa – Himalaya Publishing

Organizational Behavior – by L. M. Prasad – Sultan Chand Publications

Organizational Behavior – by Suja Nair – Sultan Chand Publications



Chapter 4

Motivation

4.0	Objectives
4.1	Introduction
4.2	Intrinsic and Extrinsic Motivation
4.3	Theories of Motivation
4.3.1	Expectancy Theory
4.3.2	Maslow's Hierarchy of needs
4.3.3	Herzberg's two factors model
4.3.4	Attributes theory
4.3.5	Equity theory
4.4	Motivation and performance
4.5	Motivation strategies
4.6	Importance of motivation
4.7	Motivational drives
4.8	Summary
4.9	Check your Progress – Answers
4.10	Questions for Self - Study
4.11	Suggested Readings

4.0 OBJECTIVES

After studying this chapter, you should be able to:

- ❖ Outline the motivation process
- ❖ Describe Maslow's needs hierarchy
- ❖ Differentiate motivations from hygiene factors
- ❖ Discuss ways in which motivation can be increased.
- ❖ Explain how the contemporary theories of motivation complement each other.

4.1 INTRODUCTION

Organizations are made of people. Organizations have to be concerned with what should be done to achieve sustained levels of performance through people. This necessitates assigning close attention to ensure how individual can best be motivated through such means as incentives, rewards, leadership and the work they do and organizational context within which they carry out the work. The objective of developing an appropriate motivational atmosphere is to ensure that the people in the organization are adequately motivated to deliver performance in accordance with the expectations of the management. Various model suggests that motivation is initiated by the conscious or unconscious recognition of unsatisfied needs. This need will lead to the desire for achieving something that satisfy the needs. Goals are established and behaviour pathway is selected which will achieve the goal. If the goal is achieved, the need will be satisfied and the goal directed behaviour is likely to be expected for satisfying the same needs later.

Motivation is a process, which accounts for an individual's intensity, direction and persistency of efforts towards attaining a goal. This is one of the most frequently researched topic in Organizational Behaviour. We can call motivation as a fluid subject and therefor there is a necessity to motivate employees continuously with more innovative ways time an on. Therefore, history tells us development of several motivation theories. Perhaps each one of them has a background or and environment in which it has been successful under the circumstances.

4.2 INTRINSIC AND EXTRINSIC MOTIVATION

Intrinsic Motivation:

It refers to self, generated factors that influence people to behave in a particular way or to move in a particular direction. These factors include responsibility, freedom to act,

scope to use and develop skills and abilities, interesting and challenging work, opportunities for advancement etc.

Extrinsic Motivation:

Efforts made by others to motivate people. This may be e.g.: reward, punishment, appreciation etc.

4.3 SOME THEORIES ON MOTIVATION

4.3.1 Expectancy Theory

It was put forth by Vroom (1964). It can be described as follows: "Whenever an individual chooses between alternatives which involve uncertain outcomes, it seems clear that his behaviour is affected not only by his preferences among the outcomes but also by the degree to which he believes these outcomes to be possible. An expectancy is defined as a momentary belief concerning the likelihood that a particular act will be followed by a particular outcome.

The strength of expectations may be traced on past experiences. The theory proposes that, motivation is likely only when a clearly perceived and usable relationship exists between performance and outcome, and the outcome is seen as a means of satisfying needs. This explains why extrinsic motivation (e.g.: bonus) work only if the link between efforts and rewards is clear and the value of the reward is worth the effort. It also explains why intrinsic motivation can be more purposeful than extrinsic motivation.

Victor Vroom's expectancy theory is one such most widely accepted theory of motivation currently in use. This has the strength of a tendency to act in a certain manner, which depends upon the strength of an attractiveness of that outcome to the individual. In other words, theory says that, an employee will be motivated to exert high level of effort when he believes that efforts will lead to a good performance appraisal. And this will lead to organizational rewards in many ways, which in turn will satisfy the personal goals of the employees. The employees expectation is in the form of promotion, an increment in salary or a certificate or incentive. etc. The theory, therefore, concentrates on three types of relationships.

- i. Efforts performance relationship :- The individual presides the probability that exerting a particular amount of efforts leads to performance.
- ii. Performance reward relationship:- The individuals degree of belief that performing at a particular level will lead to reaching a desired outcome.
- iii. Rewards personal goals relationship :- This is the degree to which the organizational rewards satisfy an individual goals or need and the attractiveness of those potential rewards for the individuals.

Expectancy theory explains or rather helps to explain why some workers are not motivated on their jobs and restrict themselves to minimum and necessary work.

To summaries, the key to expectancy theory is understanding of the individual goals as well as the linkage between his efforts and performance and the performance and rewards and lastly between the rewards and individual goals satisfaction. However, the theory definitely recognizes that, there is no particular principle for explaining everyone's motivation.

As far as the effectiveness of this theory is concerned, it has been validated with high degree of priority probably because every individual's goal satisfaction cannot be understood, realized clearly. Perhaps there are no recognized methods that may surface the truth. More so the organization's policy also may not suit this theory, particularly where seniority comes as a rule.

4.3.2 Maslow's Hierarchy of Needs

This theory is one of the most famous hypothesizing that within every human being there exists 5 needs in a hierarchical structure. These needs are

- i. **Physiological** : This includes hunger, sex, shelter, thrust and a few bodily needs.
- ii. **Safety** : This includes protection from physical and emotional harm as well as security.
- iii. **Social**: This includes acceptance, belongings, affection as well as friendship.
- iv. **Esteem**: This includes the internal esteem factors such as autonomy, achievement and self-respect. Similarly the external esteem factors include status, recognition and attention to physiological need.
- v. **Self-actualization** : This means drive to become what one is capable of becoming. This, therefore, includes self-fulfillment, growth and achievement of ones potentiality.

Maslow's hierarchy of needs can be shown diagrammatically in the form of a pyramid with base as physiological needs and ending with self-actualization at the top as shown below.

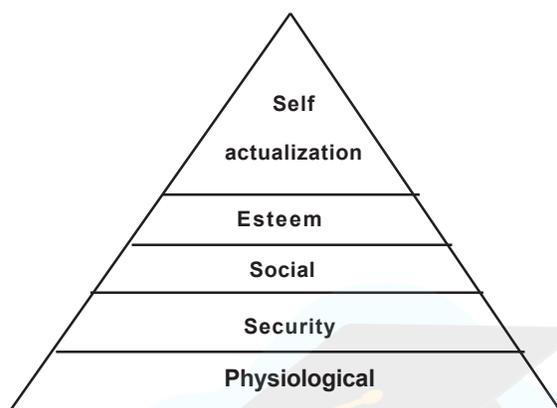


Figure 4.1 : Maslow's theory of needs

The author of the theory separated these 5 needs in two categories, namely lower order needs that are satisfied externally which include physiological and safety needs and the high order needs which are satisfied internally incorporating social, esteem and self-actualization needs.

Though Maslow's theory received recognition very widely from, managers, there is a criticism that the organizations did not either follow or support the need structures as proposed by Maslow. Perhaps this might be due to stringent organizational policies in the past or the recognition by the organizations about the importance of this theory.

His theory, based on needs, suggested a need hierarchy that apply to people. He says that an individual's needs involve physiological needs, safety needs, social needs, esteem needs and self actualization. The theory states that when a lower need is satisfied, the higher level need becomes dominant and the individual's attention is turned to satisfying higher level. He used to say that, Man is a wanting animal and only unsatisfied needs can motivate behaviours and the dominant need is the prime motivator of behaviour.

The main implication of Maslow's Theory is that higher order needs for esteem and self fulfillment provide greater impetus to motivation. They grow in strength when they are satisfied, while the lower needs decline in strength on satisfaction.

To summarize, we learn that, there is organization to understand the needs of people at various levels and appropriately provide motivational inputs suitable to their requirements.

4.3.3 Herzberg's Two Factor Model

He, in 1957, suggested a two-factor model based on the study of accountants and engineers. His observations were as below:

Employee's wants can be divided into two groups. The one group that includes salary, working conditions etc, which, if not satisfied, creates dissatisfaction, though do not lead to explicit motivation. On the other hand, there are factors such as rewards, advancement,

career progression etc, which give positive satisfaction. His theory has been heavily criticized by many. His model provides an overall picture of the factors that generally satisfy the employee and those which positively motivate the employees.

Herzberg's two-factor theory

This is also known as motivation-hygiene theory. Herzberg was a psychologist and he believed that, an individual's relation to work is basic and one's attitude towards work can determine success or failure. He got the response for his questionnaire answered by several employees. His intention was to identify what the employee's want from their job. He also expected from them the situation in which they felt exceptionally good or bad about their jobs. This resulted into certain characteristics constantly related to job satisfaction and others to job desertification. Factors that lead to extreme dissatisfaction, in order of merit in terms of frequency where organizational policies and administration, type of supervision and the relation with supervisor, work environment, salary followed by comparatively low factors like status, personal relationship, etc. Alternatively, the factors relating to high satisfaction included similarly in order of importance achievements, recognition, work involvement, responsibility as well as advancement and growth. 69% of factors contributing to dissatisfaction were hygienic in nature. And 19% hygienic factors contributing to job satisfaction were hygienic in nature, the remaining factors in both the categories were respectively 31% and 81% and were motivator factors.

Herzberg argued that the response strongly indicated that opposite of satisfaction is not dissatisfaction because removing dissatisfaction characterizing does not necessarily make the job satisfying. Therefore, his conclusion was that, job satisfaction factors are separate and distinct from those that lead to job dissatisfaction. And therefore elimination of factors for job dissatisfaction by managers may not necessarily help or create motivation. And therefore conditions around the job such as supervision quality, pay, company policies, physical working condition, relations with other and jobs security are called hygiene factors.

In the present context, many of these factors have depleted to a great extent. Similarly, the other side of the two factor theory also is becoming mild and therefore this theory may not carry as much vantage as it did during the twentieth century. The criticism on this theory perhaps as indicated below may also be one of the factors for curtailing its importance at present. It is as indicated below.

- i. Herzberg procedure is limited by his methodology because people generally take credit themselves when things go well and blame failure on extrinsic environment.
- ii. No quantitative satisfaction asserting an employee may dislike a part of his job yet he thinks it is acceptable.
- iii. The theory ignores situational factors and is said to be not in line with the early research.
- iv. His theory does not give high profile of reliability because special efforts are to be made by the researchers in interpretation of the responses.
- v. Herzberg assumed a relationship between satisfaction and productivity but he looked only at satisfaction and not productivity in research methodology he adopted.

4.3.4 Attribution Theory

It is concerned with how we explain our performance after we have invested considerable effort and motivation in a particular task. Four types of explanations may be used to account for either success or failure - ability, effort, task, difficulty or luck. e.g.: if success or failure is explained in terms of efforts, then high motivation may follow. On the other hand, if failure to achieve the level of performance is explained in terms of task difficulty or bad luck, the results may be a loss of motivation. Incorrect attribution may be the result of inadequate feedback, communication, appraisal and guidance. Attribution errors can create many problems in work situation.

This has the relevance to application of perception concept to organizational behaviour. Our perceptions of people differ from those of inanimate objects such as machines, buildings, etc. because we are able to make inferences about the actions of people unlike about inanimate objects. It is imperative that, non-living objects are subjected to laws of nature and they do not have beliefs, motives or intentions but people do have. The attribution theory proposes to develop explanation of the ways in which we judge people differently depending upon what meaning we attribute to a given behaviour. The theory suggests that, on observing an individual's behaviour, we try to determine whether it was internally or externally caused. That determination largely depends upon:

- i. Consensus
- ii. Consistency and
- iii. Distinctiveness

Internally caused behaviours are those that are under the personal control of the individual. Externally caused behaviours are seen as resulting from outside cause. When everyone is faced with a similar situation and responds in the same way, it means the behaviour shows consensus. Consistency of a person lies in the response which is the same way over different times. The more consistent the behaviour as well as the more is the consensus, the more is the observer inclined to attribute both to the internal causes. Distinctiveness means whether an individual displays different behaviours in different situations. Depending upon whether the behaviour is usual or unusual, the observer gives the behaviour an external or internal attribution.

The attributional theory incorporated what are known as errors or biases that distort attributions. The tendency to underestimate the influence of external factors and overestimate the influence of internal factors when making judgments about the behaviour of others results in causing fundamental attribution errors. Similarly, the tendency for individual to attribute their own success to internal factors while casting the blame for failures on external factors results in self-serving bias. This theory was developed in the developed countries of the West and therefore they may not be perhaps accepted in the other parts of the world due to the traditions with which the people are governed in the remaining atmosphere. This theory can perhaps be connected to perceptions. The factors that influence perceptions are of three categories, namely;

- i. Factors in the perceiver: These are attitudes, expectations, experience, interest and motives.
- ii. Factors in the target: They are proximity, motion, novelty, similarity, size, etc.
- iii. Factors situationally: Social setting, time and work setting.

All these interlinked have to contribute to the attribution theory positively.

4.3.5 Equity Theory

It is concerned with the perceptions people have about how they are being treated as compared with others. To be dealt with equitably is to be treated fairly in comparison with another group of people or a relevant other person. This theory attempts to say that, people will be better motivated if they are treated equitably and demotivated if they are treated inequitably.

There are two forms of equity. Distributive equity is concerned with the fairness with which people will feel they are rewarded in accordance with their contributions and in comparison with others. On the other hand, procedural equity is concerned with the perception employees have about the fairness with which organization procedures in areas such as performance appraisal, promotion and discipline are being operated.

In 1990, identified five factors that contributed to perception of procedural fairness were identified. They are:

- * Adequate consideration of an employee's view point.

- * Suppression of personal bias towards the employee.
- * Applying criteria consistently across employee.
- * Providing early feedback to employees concerning the outcome of decisions.
- * Providing employees with an adequate explanation of the decision made.

4.4 MOTIVATION AND PERFORMANCE

Requirements for job satisfaction may include high pay, equitable payment system, opportunities for promotion, considerate and participative management, social interaction at work, interesting and varied tasks and a high degree of control over work place and work methods. The degree of satisfaction obtained by individuals however, depends largely on their own needs and expectations and the environment in which they work. No positive strong connection between satisfaction and performance is yet established. A satisfactory worker is not necessarily a high producer and vice versa.

Check your Progress - 4.4

1) What is intrinsic motivation?

.....

2) Put the human needs in chronological order according to Maslow's theory of hierarchy.

.....

3) What are the three basic types of needs according to Mc Clelland's need theory?

.....

4.5 MOTIVATION STRATEGIES

They aim at creation of working environment to develop policies and practices which will provide for higher levels of performance from employees. They will be concerned with following:

a. Measuring Motivation

This is essential to provide an indication of areas where motivational practices need to be improved. Motivation can not be directly measured. But indications of the level of motivation can be obtained from attitude surveys, measures of productivity, employee turnover and absenteeism, analysis of performance reviews.

b. Valuing Employees

Motivation and commitment are likely to be enhanced if employees feel that they are valuable. This means investing in their success, trusting and empowering them, giving them the opportunity to be involved in matters which they are concerned, treating them fairly and as human beings rather than 'resources' to be exploited in the interest of management, and providing them with rewards which demonstrate to the extent to which they are valued.

c. Behavioural Commitment

It means that individuals will direct their efforts to achieving organizational and job objectives. It can be engendered by giving people more responsibility to manage their own jobs as individuals or as teams (empowerment) and providing for rewards to be clearly related to success in achieving agreed goals.

d. Organizational Climate

The organizational climate and core values should emphasize the importance of high performance. Managers and team leaders should be encouraged to act as models of the sort of behaviours expected from employees.

e. Leadership Skills

Managers and team leaders should be helped to learn about the process of motivation and how they can use their knowledge to improve the motivation of their team members.

f. Job Design

This should involve the application of motivation theory, especially those aspects of the theory which relate to the needs and intrinsic motivation.

g. Performance Management

The process of this involves setting of goals, short or long terms, and analyzing the achievements at the end of the concerned period. A reward system for achievement will reinforce achievement oriented behaviour.

h. Reward Management

Rewarding achievement and competence is one way of keeping high levels of motivation within organization. While designing schemes for rewards, the lessons from expectancy theory and equity theory should be taken into consideration.

i. Employee Development

The best form of development is self-development. The organization should provide opportunities for self-development of the people.

j. Behavioural Motivation

It involves influencing behaviour by its consequences. It involves systematic analysis of the behavioural items and modifying people's behaviour by suitable interventions. The five steps for this procedure have been prescribed by Luthans and Kreitnes (1975).

- i. Identify the critical behaviour — what people do or do not do which needs to be changed.
- ii. Measure the frequency of occurrences — obtain hard evidence that a real problem exists.
- iii. Carryout functional analysis — identify the stimuli that precede the behaviours and the consequences in the shape of rewards or punishment which influence the behaviour.
- iv. Develop and implement an intervention strategy — this may involve the use of positive or negative reinforcement to influence the behaviours (i.e. providing or withholding financial or non financial rewards).
- v. Evaluate the effects of the interventions- check whether the interventions were successful. If yes, whether it resulted in the desired result. What further steps are required to be undertaken.

4.6 IMPORTANCE OF MOTIVATION

No concept of OB receives as much attention of academics, researchers and practicing managers as motivation. The increased attention towards motivation is justified by several reasons.

First, motivated employee's are always 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.

Second, a motivated employee generally is more quality oriented. The organization benefits, because individuals, in and outside the organization see the enterprise as quality conscious. A clear understanding of the way motivation works helps a manager make his employees quality oriented.

Third, highly motivated workers are more productive than apathetic workers. The high productivity of Japanese workers is attributable mainly to motivation.

Fourth, every organization 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 organization:

- i. People must be attracted not only to join the organization but also to remain in it.
- ii. People must perform the tasks for which they are hired and must do so in a dependable manner.
- iii. People must go beyond this dependable role performance and engage in some form of creative, spontaneous and innovative behaviour at work.

Fifth, motivation as a concept represents a highly complex phenomenon that affects, and is affected by a multitude of factors in the organization. A comprehensive understanding of the way in which organization functions requires that, increasing attention be directed towards the question of why people behave as they do on their jobs.

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 increases in complexity, machines tend to become necessary yet insufficient vehicles of effective and efficient operations.

Seventh, while organizations have for some time viewed their financial and physical resources from a long- term perspective, only recently they have begun seriously to apply this same perspective to their human resources. Many organizations are now beginning to pay increasing attention to developing their employees as future resources (talent bank) upon which they can draw as they grow and develop. Finally, attention paid to motivation by our managers speaks about its importance in management of human resources.

4.7 MOTIVATIONAL DRIVES

People tend to develop certain motivational drives as a product of the cultural environment in which they live, and these drives affect the way people view their jobs and approach their lives. Much of the interest in these patterns of motivation was generated by the research of David C.

McClelland of Harvard University. He developed a classification scheme highlighting three of the more dominant drives and pointed out their significance to motivation. His studies revealed that people's motivational patterns tend to be strong among the workers because they have grown up with similar backgrounds. McClelland's research focused on the drives for achievement, affiliation and power.

An addition to these is the competence drive, which is important factor in current attempts to attain high-quality products and services.

4.7.1 Achievement Motivation

It is a drive some people have to pursue and attain goals. An individual with this drive wishes to achieve objectives and advance up the ladder of success. Accomplishment is seen as important primarily for its own sake, not just for the rewards that accompany it.

A number of characteristics define achievement- oriented employees. They work harder when they perceive that they will receive personal credit for their efforts, when there is only moderate risk of failure and when they receive specific feedback about their past performance. As managers, they tend to expect that, their employees will also be oriented towards achievement. These high expectations sometimes make it difficult for achievement-oriented managers to delegate effectively and for average employees to satisfy their manager's demands.

4.7.2 Affiliation Motivation

It is a drive to relate to people on a social basis. Comparisons of achievement-motivated employees with affiliation-motivation employees illustrate how the two patterns influence behaviour.

4.7.3 Power motivation

It is a capacity that one man has to influence the behaviour of the other, that means the other man acts in accordance with the first man's wishes. This implies a potential that need not to be actualized to be effective and a dependency relationship. Power may exist but may not be used and that is why we call it as capacity or potential. Power is also said to be a function of dependency, for example:

The greater the other man's dependence on the first, greater is the first man's power in the relationship. A person can have a power on other if he controls something, which the other one desires. Leaders achieve goals through the means of power that facilitates their achievements. Power comes from two sources namely, formal and personal. Formal power is on the basis of the position of the individual in an organization. This can come from formal authority or from control of information. This is subsequently categorized down to different formal powers like coercive power based on fear, reward power based on ability to distribute rewards that are valuable to others, legitimate power that is achieved as a result of ones position in the organizational hierarchy and information power that comes from access to and control over information.

Personal power doesn't depend upon formal position in an organization. This is vested with the competent and productive managers having no power. The power comes from the individual's unique characteristics such as his expertise, skills, respect and admiration, charisma and knowledge.

In short, if you want to get things done in a group or in an organization, it helps to have power with you. If you maximize your power you do, it increases the dependency of all others on you. Increasing the power is relative in nature and the means vary depending upon the relative power base.

Check your Progress - 4.7

1) Identify the strategies of motivation.

.....

2) What are the motivational drives?

.....

3) What is the importance of motivation?

.....

4.8 SUMMARY

Motivation represents the outcomes of several behavioural inputs such as perception, attitude and learning and it is an important concept receiving considerable attention from academics, researches and practicing managers.

The increasing attention paid towards motivations is justified because of several reasons, motivated employees come out with new ways of doing jobs. They are quality

oriented. They are more productive. Any technology needs motivated employees to adopt successfully.

The theories we've discussed in this chapter address different outcome variables. Some for instance, are directed at explaining turnover, while others emphasize productivity. They also differ in their predictive strength. In this chapter we (1) review the most established motivation theories to determine their relevance in explaining our dependent variable and (2) assess the predictive power of each.

4.9 CHECK YOUR PROGRESS – ANSWERS

4.4

- 1) The self generated factors that influence people to behave in a particular way or to move in a particular direction.
- 2) Psychological needs, security needs, social needs, self-Esteem and self-Actualization.
- 3) Power, affiliation and achievement.

4.7

- 1) Measuring motivation, valuing employees, behavioural commitment, leadership skills, job design, performance management, reward management.
- 2) Achievement motivation, affiliation motivation, power motivation.
- 3) Motivated employees look for better ways to do a job, They are more quality oriented, more productive, and they also tend to meet the goals of the organization promptly.

4.10 QUESTIONS FOR SELF - STUDY

- 1) What is the concept of motivation? Explain Maslow's theory of needs.
- 2) Elucidate Herzberg's two factor theory.
- 3) Explain McClelland's theory of motivation. Explain the different motivational drives.
- 4) Explain how managers can successfully motivate people.

4.11 SUGGESTED READINGS

Organizational Behavior – by Stephen Robins – Prentice Hall Publications

Organizational Behavior – by K. Ashwathappa – Himalaya Publishing

Organizational Behavior – by L. M. Prasad – Sultan Chand Publications

Organizational Behavior – by Suja Nair – Sultan Chand Publications



NOTES



Chapter 5

Stress

5.0 Objectives
5.1 Introduction
5.2 Model of Stress
5.3 Stress Manifestation
5.4 Coping Strategies
5.5 Coping and Personality
5.6 Sources of Stress
5.7 Stress Management
5.8 Organization approaches to Stress Management
5.9 Summary
5.10 Check your Progress – Answers
5.11 Questions for Self-Study
5.12 Suggested Readings

5.0 OBJECTIVES

After studying this chapter, you should be able to:

- ❖ Describe potential source of stress.
- ❖ Identify physical source of stress.
- ❖ Understand the individual and organizational strategies to cope with stress.

5.1 INTRODUCTION

Ajit had joined a new job. The new job was different. Ajit had more status, a nicer office, a better car and a secretary. But things started occurring that were totally out of his control. For instance, his appointment calendar was always full. These appointments were always made by someone other than Ajit. It began to create a tremendous pressure on Ajit. Ajit also began to feel uneasy about the fact that he didn't have control over his own success. Ajit knew he was under pressure.

Ajit's reaction to the strain of his new job is not uncommon. People often experience symptoms such as migraine, headaches, depression and back pain when stressed. Other, more physiological effects can be caused by stress, such as ulcers, hypertension and coronary heart disease. People who work in stressful work setting are more likely to have a sense of futility and lower self-esteem, which may lead to lower levels of mental health and physical well being. Blue-collar workers have disproportionately high levels of mental health problems. Stress can lead to divorce, broken friendships and frustration. Also, physical or psychological illness is often thought to be a sign of weakness by the person.

Organizations pay a high cost for employee stress. First, critical levels of stress can lower work performance. There are also very high direct costs due to stress — related lawsuits, worker's compensation and health care premiums.

5.2 MODEL OF STRESS

The following shows a way to conceptualize stress.

The person is constantly interacting with the environment, objective and psychological, in which there are stressors. Stress may be manifested in physiological matters, psychological or behavioural responses. The nature of the response depends upon individual differences. Some are more sensitive to the presence of stressors, some use more 'effective coping mechanisms.

Stress is a non — specifically induced psychological state of an individual that develops because the individual is faced with situations that "tax or exceed available resources (internal or external), as appraised by the person involved".

It is a dynamic condition in which the person is confronted with:

- i. an opportunity,
- ii. a constraint or,
- iii. a demand for which resolution is both uncertain and important.

Its effects are not always negative, as was the case for Ajit. Each of us has experienced a stress-including situation that was a positive learning experience.

For Example

Preparing for the first examination in college might have induced stress. As the time came closer you become more tensed, worried about the exams and studied harder. If you were well prepared, these reactions disappear when you started on the exam and found you could solve the problems or answer the questions. You learned that you were able to perform well on examinations and as a result, later exams were not as stress inducing as the first. A positive, healthful and developmental stress response is called stress. Just as tension causes muscles to strengthen, some level of stress may lead to better performance and a more adjusted personality. Distress includes those stress responses that weaken a person's physical and psychological capacity to cope with environmental stressors.

Stress is non specifically induced, which means that it develops from many different environmental factors and the separate effects of each are difficult to isolate. These factors are called stressors and they exists in -

- i. **Objective Environment:** It contains those conditions in which the individual is embedded and that may affect him or her. Working conditions, other people, noise are all examples, of possible stressors in the work environment. Non — work elements such as social pressures, demands from family and community problems may also induce stress and they can certainly affect what happens on the job.
- ii. **Psychological Environment:** It is the way that a person experiences the objective environment. For example. a person in a job that requires dealing with people outside the organization (a fact of the objective environment) tends to report more incompatible job elements or role conflict (an aspect of the psychological environment) than a person who works completely within the organization.

Individual Differences

When a person experiences the objective environment, the way it is perceived and interpreted may be different from the way others would react when exposed to the Ajit situation. This judgement occurs through a process called Cognitive appraisal — the way the person assesses the significance of the various aspects of the environment. How people assess stress is called Primary cognitive appraisal which determines the intensity and quality of the individual's emotional response. When primary cognitive appraisal is positive, the person will have relations such as pleasure, joy and relaxation. When the environment is appraised as stressful, the person's response will be anxiety and fear. Such a cognitive appraisal may lead to feelings of job anxiety, low job satisfaction and frustration.

5.3 STRESS MANIFESTATION

When a person experiences stress, two things happen. First, these are responses to the stressors themselves, physiological, psychological or behavioural relations that are triggered by the cognitive appraisal of the situation. These are called stress manifestations.

- i. **Physiological Responses :** Bodily functions change when one is stressed. These changes may be immediate or long-term reactions. When a stressor is recognized, and immediate biochemical bodily reaction initiated by the brain leads to an increased flow of adrenalin. In response to stressors, blood sugar increases, the heart beats

faster, muscles tense, perspiration increases and all senses become heightened. The long-term physical reactions are, perhaps, more of a problem. As one experiences stress over long periods, the body begins to show signs of wear and tear; Other specific illnesses associated with stress are ulcers, hypertension and headaches.

- ii. **Psychological Responses:** They are thoughts and feelings that may be work — specific or non work — oriented. These are several work — specific responses to stress. For example: Nurses who experienced more frequent and intense work stressors were more depressed, had greater work anxiety and were more hostile towards coworkers.

Non-work oriented responses are either short-term or long- term changes in the individuals psychological state. When these effects persist, they may reflect a change in personality, which is in itself is a coping response. Some of the non-work psychological responses are lower self-confidence, tension, irritation and depression.

- iii. **Behavioural Responses:** People may act differently under stress. Increased use of alcohol, smoking and changes in eating patterns are symptoms exhibited by people. Stress has also been associated with increased absenteeism and lateness at work. Stressed individuals are less interpersonally effective. When exposure to stress resulted in higher depressions in the nurses studied by motowildo and colleagues, there was less tolerance with doctors and less warmth toward other nurses. Stressed individuals are more aggressive towards others. They are more competitive and group cohesiveness is reduced. All these responses may be part of a more general coping syndrome of withdrawal from others, avoiding contact and rejecting influence attempts from those who may be exerting pressure.

Check your Progress - 5.3

1) What do you mean by stress?

.....

2) What are the usual effects of stress?

.....

3) What are the sources of stress?

.....

5.4 COPING STRATEGIES

Coping is the way individuals handle either the stressors or themselves. A person sensing stressor, either consciously or unconsciously, chooses a way to respond to it. This occurs through a secondary cognitive appraisal process, which is different from the primary cognitive appraisal in which one becomes aware of the stressor.

These are two functions of coping:

- i. **Problem Solving Function:** We may try to change the environment stressor on our own behaviour.
- ii. The second function of coping is to manage the physiological and emotional reactions to stress “so that they do not get out of hand and do not damage or destroy morale and social functioning”. Basically, this means managing one’s emotions. Lazarus suggests several different coping strategies:

- iii. **Information seeking:** It is trying to find out what the stressors are and what causes them. Because uncertainty is a property of stress, information seeking can be productive if the result is reduced. Stress was found to be higher for employees who actively sought and obtained information about a major organizational change which might have had negative effects on them.
- iv. **Direct action:** It may take several forms. When experiencing job stressors, you may work harder, take pills, change jobs or change the environment in some way. Another form of direct action is to seek and develop social support. Acceptance and help from others buffer the effects of the stressors to well help you find more constructed solutions. If you are experiencing stress because of conflicting demands from your boss, you might seek out an older colleague with whom you can discuss the problem and come up with a solution that helps.
- v.. **Restraining action:** These are times when the best way to deal with stress is not to act, especially when taking actions might lead to other, less desirable outcomes. Waiting before taking another courses of action is probably a more effective way to cope with such stress.
- vi. **Psychological modes:** Psychological coping reactions are quite common response to stress. Emotions and often subsequent behaviour, are determined in part by situation, and other defense mechanisms may change the perceptions of the objective environment, so much that the perceived environment is one in which the person can operate more comfortably, at least in the short run.

When psychological coping modes distort reality and are used extensively, they may represent a poor adjustment to stress. For example: if a person who consistently has a difficult time performing a job but denies the failure or attributes it to wrong causes, may continue to stay in an unsuccessful situation. In the long run, this may diminish self-esteem.

5.5 COPING AND PERSONALITY

Because people will differ in their cognitive appraisal of the situation, they will use different coping strategies. the choice of which is affected by personality. Personality effects on coping strategies were demonstrated in a study of new plant start-up workers who were impatient, aggressive and precise, chose direct action strategies of simply working harder at the new job. Those with low self-esteem reported that, they psychologically withdraw from the jobs. Those who considered work a central element in their life structure tended to complain about the work situation and sought help in learning and doing the job.

5.6 SOURCES OF STRESS

Stress is a result of the transactions and interaction between the person and the environment. Some stressors are in the objective environment while most are part of the psychological environment. Work factors and non-work factors are sources of stress.

5.6.1 Work factors

From the organization's point of view, work-induced health problems, both physical and mental, may create serious financial responsibility. It has been estimated, for example, that about 95% of workers compensation claims, resulting from mental stressors may be due to cumulative psychic workplace trauma, which is caused by employee abuse by manager. Major- work Setting stressors are —

- i. **Occupational factors:** Some jobs are more stressful than others. Blue—Collar workers are more likely to be exposed to working conditions that lead to physical health problems because, many of their jobs are mostly physically dangerous or they are exposed to more toxic substances. Studies have shown that, those who work in routine jobs have high levels of alienation from work and boredom, and that

machine paced work was more strongly related to tension, anxiety, anger, depression and fatigue than non-paced work. High-risk jobs make high psychological demands and provide low decision control. People in these jobs are constantly under pressure from others as they must respond in a way that the other person wishes, not in the way they would like to.

- ii. **Role Pressure:** Robert Kahn and a group of researchers at the University of Michigan's Institute for Social Research examined the extent of role conflict and role ambiguity in organizations, their causes, how they relate to personal adjustment and how personality might modify the effects of role strain. This research is based on the premise that individuals are more effective at work roles when they are clear about what is expected of them and when they do not have severe conflicting demands.
- iii. **Role conflict:** It occurs when a person is in situation where there are pressures to comply with different and inconsistent elements. If the person complies with one demand, it is difficult or impossible to comply with other demands. The particular type of role conflict depends on the sources of the demands. An intercentral role conflict is inconsistent expectations from a single person.

For example:

A manager may expect subordinates to increase production but does not give them added resources. Often managers resort to this kind of demand when there are cost-cutting drives or other programs to increase efficiency. Intercentral role conflict occurs when 2 or more different individuals place incompatible demands on a person. For example: The quality control manager of a plant expects the production supervisor to reject more units of the product, while the production manager wants increased production output and therefore fewer rejections. Role ambiguity is another type of role strain. It is the uncertainty about the expectations of others. One type of role ambiguity, task ambiguity, refers to uncertainty about the work requirements themselves.

For example

When a person takes a new position and is trying to learn how to do the job, social-emotional ambiguity, the second type, is uncertainty about how one is evaluated by another person. This happens when work standards are unclear and performance judgments are subjective. Role overload occurs when the work requirements are so excessive, they exceed the limits of time and/or ability. Role underload is when work does not make use of a person's abilities.

- a. **Participation Opportunities:** Managers who report higher levels of participations in decision making feel much lower stress, job anxiety and threat than those who report low participation. Participation is important for two reasons. First, it is related to other stressors. Participation is associated with low-role conflict and low-role ambiguity. Second, high participation gives a person the feeling of some control of the stressors in the environment, reducing the effect of stressors compared to when a person has no real or perceived control.
- b. **Responsibility for people:** Responsibility for others may lead to stress at work. As a manager, effectiveness depends on those who work for you. If for any reason, you do not have confidence in them, then you are likely to experience stress, because you do not perceive control over the situation. In addition to that responsibility for others calls for making decisions about pay, promotion opportunities and career paths of others and exerting a good deal of influence over their lives.
- c. **Organizational factors:** The organization itself affects stress. For example: Many believe that the mechanistic form of organization is too restrictive and also does not maximize human performance potential, whereas an organic structure is more likely to release human productive capacity. Four characteristics of organizations have been shown to be stressors.
 - 1. Organization level may be related to stress. Executive work has a good deal of role overload, executives have responsibility for others and a good deal of conflict and ambiguity is present in the job. Managers tend to have more time constraints and efficiency problems. Workers at lower levels are more likely to have role overload

and role conflict due to conflicting demands from supervisors are introduced and lack of resources.

2. Organizations complexity refers to the rules, requirements and complicated networks that exists in large organizations. Role strain tends to become increasingly a problem as work becomes more specialized, more levels of supervision are introduced and more complexity is added.
3. Organization change may be another important stressor. Organizations in volatile environments must constantly modify the jobs and responsibilities of employees as they must accommodate to different external pressures. Some changes reduce a person's job security status and power.
4. Organizational boundary roles are stressful because the role incumbent is subjected to role conflict which emanates from internal and external sources. For Example: Sales personnel must meet customer demands at the same time they must satisfy company requirements.

5.6.2 Non-work factors

Stress also responses to some of the non-work environmental factors such as:

- i. **Life Structure Changes:** Some of the natural flows of life can induce stress as a person goes through the transition periods of life and career stages. Each of us faces the prospect of changing jobs. High life stress is related to how individuals seek information to cope the stress-inducing event. When faced with work stress, people tend to seek help from others at work, looking for help from workers and supervisors.

Personality affects the way managers handle stressful life events. Those executives who experience high stress but low levels of illness had different personality characteristics from those who experienced high stress and had high illness rates. These managers are more hardy. Hardy managers tended to feel more in control: were less alienated from themselves new more oriented towards challenge and adventure.

- ii. **Social Support:** Losing a job is stressful and it has been related to such effects as arthritic symptoms, cholesterol elevation and heavy drinking. However these effects ever reduced, or buffered, when a person had a social support system to help deal with the situation. Social support is the communication of positive feelings of liking, trust, respect, acceptance along with beliefs and sometimes, assistance from others who are important people in one's life.

Social support is important because it affects a person's psychological environment. When a person has social support, events may seem less stress inducing because the resources that one draws on are greater — help from others — and therefore the demands of the environment can be met. It is perhaps as simple as the fact that you have some help in dealing with pressure.

- iii. **Perceived Environmental Control:** To have real or perceived control over stressors is related to reduced stress levels and active coping responses. Specifically, the locus of control has been shown to moderate stress relations. Persons with an internal locus of control believe that, they can influence their environment, that what they do and how they do it determines what they attain. Those with an external locus of control believe that they have little influence over the environment and that what happens to them is a mater of luck, fate or due to the action of others. Internal's coping strategies are different than external's. Anderson demonstrated these differences in a study of entrepreneurs whose business were severely affected by a hurricane. The storm resulted in severe flooding problems in Pennsylvania. In one community, 430 small business were extensively damaged. Over 100 of the owner managers of these business were interviewed to determine how they adapted to this situation, which most would agree to be stress inducing. Internals perceived the situation as less stressful than the externals. Entrepreneurs who were external tended to be more defensive. The internals were more effective in bringing their business back from the disaster where the internals fared a potentially stressful situation, they acted in a way to take control of events by engaging in more task-

oriented coping behaviours. This is more likely to solve the problem than resorting to more emotional defensive actions.

Not only do internals cope differently, it seems they also manifest stress in different ways from externals. Internals faced with a stressor are more likely to believe that they can have a significant effort on outcomes while externals are more likely to acquiescent, to be passive and to see events as more stressful. When faced with stressors, internals report lower stress levels and are less likely to become severely and frequently ill.

- iv. **Type A Type B Behaviour Pattern:** Those who are hard-driving, highly competitive, impatient with others, irritated when they are in situations that they believe get in the way of achieving their goals, and strive to accomplish more and more in less and less time manifest a type a behaviour pattern the type b behaviour pattern is the opposite. Those who exhibit this pattern tend to be less aggressive, less competitive and more relaxed. Different responses to stress have been linked to the TYPE A behaviour pattern and the TYPE B Behaviour pattern. Physiologically, TYPE A's tend to have more extreme bodily responses to stress and to recover more slowly than Type B individuals. Those who are Type A are more likely to have a higher incidence of risk factors associated with cardiovascular disease as well as having a higher incidence of coronary disease itself. They have higher pulse rates when faced with challenging tasks and also tend to have elevated blood pressure when their self-esteem is threatened. Behavioural responses to stress for Type A individuals may contribute to the more extreme physiological responses. Behaviourally they are less able to handle conflict through accommodation. They smoke more and are more impatient, aggressive and time pressured.

Psychologically, Type A persons experience more subjective stress in their environment that is moderately uncontrollable. Exposed to stressors they are more angry, time pressured and impatient. They also respond more cognitively to stressful situations. They are more likely to use denial and suppression than those who are Type B. One explanation of these different reactions is that the Type A may internalize stress and perhaps failure. When they fail, they try again and again to solve the problem. If they are not successful, they feel that they did not try hard enough, leading to greater frustration and annoyance. They feel ineffective and attribute the failure to themselves. The cost of their exposure to stressors and coping with them is very high.

- v. **Self-Esteem:** Self-esteem is the way a person perceives and evaluates him or herself. An individual's self concept can have an effect on job performance and response to stressors. Those who have a positive and a reasonably accurate concept of "self" have a high self-esteem. They tend to have confidence in themselves — not that they charge headlong into unknown situations with adventurous disregard, but that they know their capacities and potential and act accordingly. Self-esteem seems to moderate how a person responds to stressors. In one study, workers with low self-esteem withdrew psychologically from the stress of starting a new job in a new plant. People with low self-confidence tend to have more intense relations to high stress than those with high self-confidence. Those executives who had a complex set of personal values, goals and capabilities tended to have lower rates of illness than those who did not have such a self concept. People with complex self perceptions responded differently to stressful events than those who had more simple self conceptions. When they had higher reported exposure to stressful events, individuals who described themselves as having many different dimensions to their lives were less depressed, perceived lower stress and had fewer incidents of flu and other illnesses than those with simple cognitive representations of themselves. Perhaps the impact of a negative event occurs to a smaller portion of self-representation.
- vi. **Flexibility Rigidity:** Flexible people experience different stressors and have different stress reactions than rigid people. Flexible people are relatively adaptive to change, some what free and open and responsive towards others. They may show some indecisiveness because they may struggle more with decisions. The flexible person does not have clear-cut rigid rules for handling situations. The main

stressors for flexible people are role overload and role conflict. Their flexibility makes them susceptible and willing to respond to many pressures because they can be easily influenced. Flexible people try to change their behaviour as the situation demands in order to reduce pressures. The rigid person is closed-minded, generally somewhat dogmatic in orientation towards life. Rigid people have a preference for neatness and orderliness. They are also inconsiderate of others, tend to be critical in judging others and not very tolerant of other's weakness. Rigid people respond differently to stressors. They tend to deny or reject the pressures. In other words, the rigid person simply may not react when experiencing role pressure but will ignore them. The rigid person sometimes pushes away those who are pressing too hard. Under pressure a rigid person may become increasingly dependent on his or her boss. A rigid person responds to work stressors by working harder. He or she may spend more time and effort on the job trying to get more done and ignore other facets of his or her life. To the extent that results are achieved, the rigid person has accomplished two things, removing the stressor by completing the work and being seen as more valuable to the organization.

- vi. **Ability:** There is not much evidence to show how ability affects responses to stressful situations. However, it is reasonable to think that it does. In times of crises, experts are called in to solve problems. A physician trained in trauma medicine knows what to do in a serious automobile accident emergency, whereas a psychiatrist may not. Professional athletes are regularly involved in competition with severe time pressures and extreme performance demands. They know what to do and perhaps more importantly, are able to focus intensely on relevant factors, not extraneous ones. Some research does indirectly support that supervisor's experience is positively related to performance when stress is high.

The high — ability person may perform better in stress- inducing situations for three reasons. First, it is less likely that he or she will experience role overload. The greater the ability, the more one can do. Second, high-ability persons tend to know their upper limits. They are, therefore, better able to assess their likelihood of success in stress—inducing situations that are uncertain and important. The high-ability person will probably face less uncertainty than the low-ability one. Third, high-ability people have more control over situation than low-ability people, and situational control affects how a person responds to stressors.

Research on social facilitation suggests something about the effects of ability, performance and stressors. Social facilitation refers to the effect of the presence of other people on performance. In the presence of others some people perform very well, whereas others do not. The difference in performance has to do with the person's ability: high-ability people tend to do better in the presence of others, whereas those with low ability seem to do worse.

5.7 STRESS MANAGEMENT

There are several ways to manage stress. It may be possible to change the objective environment to remove a stressor or to alter the psychological environment that the person experiences. Perhaps it is possible to alter the stress symptoms in some way so that they will not have debilitating long-run effects. All of these general approaches work, and the most effective way to manage stress may be broad attack on several dimensions.

Personal Approaches to Stress Management

Stress can be managed, at least in the sense that a person can avoid stressful conditions, change them, or learn to cope more effectively with them. There are so many ways to do this that an extensive discussion of each is beyond the scope of this chapter. However, some that are currently thought to be useful and seem particularly relevant to organizational stress are discussed here.

Psychological strategies

Psychological approaches to managing stress attempt to do one or more of the following:

- i. Change the environment in which the stressor exists.
- ii. Change the cognitive appraisal of the environment
- iii. Change some activity or behaviour to modify the environment

Counseling and psychotherapy have long been used to solve stress-induced problems. Personnel trained in mental health intervention, work regularly with the person to determine the source of stress, help modify his or her outlook, and develop alternative ways to cope. Often this is done by helping a person gain enough self-confidence and self-esteem to try a different way of coping with stress.

Therapists and counselors use many different approaches. These methods tend to be based on learning theory and the use of internal or external reinforcements. They are behavioural self-management tools to help a person monitor, facilitate and modify his or her own behaviour. The role of the therapist is to teach these methods to a person and then withdraw so that the person can use them independently. Developing a social support base is another way of coping with stress. Close friends may provide a listening ear, a less-biased assessment of the situation, some help in working out of a stressful situation, and finally suggest ways to change your behaviour so that it is more adaptive.

Managing your life can diminish stress and its symptoms. Many stress inducing situations occur because of poor personal planning and time management. For example, students often have test anxiety because they do not believe they have enough time to prepare for tests. Here is a typical scenario. A student has two midterm examinations scheduled the following week. Because both exams cover a lot of material, the student begins to worry, especially if it is important to get good grades. She goes to one of her instructors to ask for permission to take a make-up exam. The reason given is "I don't have time to prepare".

In cases like this, the anxiety can easily be avoided or at least reduced by preparing earlier in the term, instead of waiting until the last minute. Relaxation, meditation and biofeedback are a few of the mind-clearing approaches that individuals may use to cope with stress. These approaches either detach the person from the stressor or help the person refocus on other, less-stressful situations. These approaches may also have important and positive effects on physiological stress symptoms. For example: Relaxation approaches can reduce hypertension and heart rates.

Physiological Approaches

Being in good physical condition will help one deal more effectively with stress. Proper exercise, a wise diet, and not smoking are likely to yield positive physiological effects for anyone. Heart rate decreases, blood pressure is generally reduced, and the body becomes more resistant to pressures.

5.8 ORGANIZATION APPROACHES TO STRESS MANAGEMENT

Organizations realize that if it is possible to reduce the number and intensity of stressors or to help employees cope more effectively with them, there should be increased performance, reduced turnover and absenteeism, and substantial reduction in costs. This problem can be attacked through the implementation of employee wellness programs and by management practices which modify the work environment.

5.8.1 Employee wellness program

Over the last 10 years, an increasing number of organizations have instituted some type of employee wellness program. These exercise facilities and programs, individual counseling when employees feel job or personal strain, and regular seminars and lectures. Wellness programs are effective in reducing work stress. They are also very cost-effective

when they have the support of top management and are accessible to a large number of employees.

5.8.2 Management practice to modify the work environment

There are several ways that some work stressors can be diminished by good management practices. Among these practices are:

- i. Improving communication with employee will reduce uncertainty. This is a way to lessen role ambiguity and may also have direct effect on role conflict if better communication clarifies lines of responsibility and authority.
- ii. Effective performance appraisal and reward systems reduce role conflict and role ambiguity. When rewards are clearly related to performance, the person knows what he or she is accountable for (reduced role conflict) and where he or she stands (reduced role ambiguity). When a good coaching relationship between a superior and subordinate exists along with performance appraisal system, the person may perceive more control over the work environment. He or she may also sense some social support for the task of getting the job done well.
- iv. Increasing participation in decision making will give the person a greater sense of control over the work environment, a factor associated with less negative reactions to stress. There is a strong relationship between participation and job satisfaction, role conflict and role ambiguity. Increasing participation requires decentralization of decision making to more people and delegation of responsibility to those who are already accountable for work performance.
- v. Job enrichment gives the person more responsibility, more meaningful work, more control, more feedback uncertainty will be reduced, greater control over the work environment will be perceived, and there will be more variety. Job enrichment increases motivation and encourages higher work quality, especially among those with high growth needs.
- vi. An improved match of skills, personality and work is also a way to manage stress at work. There is nothing so frustrating as being placed in a job that you can't handle and do not have the potential to perform well. Similarly, in some jobs there is a good deal of natural stress because the work that has to be done has been set up that way for these tasks. Organizations should seek highly skilled and competent persons with personalities that help them effectively.

Check your Progress – 5.8

1) What are the individual coping strategies?

.....

2) Identify the organizational coping strategies.

.....

3) Identify few organizational approaches to stress.

.....

5.9 SUMMARY

Stress is one response to a disturbing factor in environment and the consequence of such reaction. Response to stress varies between individuals. How an individual experiences stress depends on perception, past experience and social support.

Stresses originate at the individual, group, organizational and extra organizational level. Outcomes of stress are very serious. Individual suffers from stress, so does the organization which has to pay in terms of absenteeism, reduced productivity and claims of damages from affected employees.

There are individual as well as organizational strategies to cope with stress. Stress is negatively related to performance. Higher the stress, lower the performance. The earlier belief that moderate level of stress enhances performance is not held tenable now.

5.10 CHECK YOUR PROGRESS – ANSWERS

5.3.

- 1) Stress is anything that changes our physical, emotional behavioural or our mental state while we encounter various stimuli in our environment.
- 2) Distress, Physical problems, psychological problems, behavioural problem.
- 3) Individual stressor : Life and career changes, personality type
 Group stressor : Lack of support, conflict
 Organizational stressors : Organizational policies, structure, processes.

5.8

- 1) Efficient time management, enhancement of self esteem, mobilization of needed resources.
- 2) Supporting organizational climate, job enrichment, role clarify, stress control workshops, career planning and counseling.
- 3) Role analysis and classification, career counseling, leisure programs recreational facilities, employees assistance programs and stress control workshop.

5.11 QUESTIONS FOR SELF -STUDY

- 1) Explain the source of stress.
- 2) Discuss the way in which people may overcome the negative consequences of stress.
- 3) Explain the model of stress.

5.12 SUGGESTED READINGS

Organizational Behavior – by Stephen Robins – Prentice Hall Publications

Organizational Behavior – by K. Ashwathappa – Himalaya Publishing

Organizational Behavior – by L. M. Prasad – Sultan Chand Publications

Organizational Behavior – by Suja Nair – Sultan Chand Publications



NOTES



Chapter 6

Group and Team

6.0 Objectives
6.1 Introduction
6.2 Key group concepts
6.3 Implications on Performance and Satisfaction
6.4 Group Behaviour Model
6.5 Characteristics of Group Decision Making
6.6 Towards improved Group Decision Making
6.7 Group Cohesiveness
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6.9 Team and Organizational context for Teams
6.10 Team Work
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6.12 Ingredients of effective Team.
6.13 Potential Team Problem
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6.15 Types of Team
6.16 Self-Managing Teams
6.17 Summary
6.18 Check your Progress – Answers
6.19 Questions for Self - Study
6.20 Suggested Readings

6.0 OBJECTIVES

After studying this chapter, you should be able to:

- ❖ Explain basic group concepts.
- ❖ Understand how groups work
- ❖ Identify the requirements to create effective Team.
- ❖ Contrast teams with groups
- ❖ Specify ingredients of effective team.
- ❖ Identify types of teams.

6.1 INTRODUCTION

Teams and groups are two different things. A group is defined as consisting of two or more individuals who interact with each other and who are interdependent. They come together to achieve particular objective. A work group is one that primarily interacts for sharing information and makes decisions to help each other within one's area of responsibility. Usually such work groups are not engaging in collective work requiring joint efforts but their performance as a group is sum total of each group's individual members contribution.

A "group" is defined as two or more individuals, interacting and interdependent, who come together to achieve particular objectives.

Groups can be either formal or informal. By formal, we mean defined by the organization's structure, with designated work assignments, establishing tasks and work groups. In formal groups, the behaviour that one should engage in are stipulated by and directed towards organizational goals. In contrast, informal groups are alliances that are neither structured nor organizationally determined. These groups are natural formations for the work environment, which appear in response to the need for social contact.

It is possible to further sub-classify groups as command, task, interest or friendship groups. Command and task groups are dictated by the formal organization, whereas interest and friendship groups are informal alliances.

The command group is determined by the organization chart. It is composed of the subordinates who report directly to a given manager. For example, Director of postal audits and his five inspectors.

Task groups, also organizationally determined, represent those working together to complete a job task. However, a task group's boundaries are not limited to its immediate hierarchical superior. It can cross command relationships. All command groups are also task groups, but because task groups can cut across the organization, the reverse need not be true.

People who may or may not be aligned into common command or task groups may affiliate to attain a specific objective with which each is concerned. This is an interest group.

Groups often develop because the individual members have one or more common characteristics. We call these formations as friendship groups.

Informal groups provide a very important service by satisfying their member's social needs. Because of interactions that result from the close proximity of work stations or task interactions such as having lunch together, spending their breaks together etc. we must recognize that these types of interactions among individuals, even though informal, deeply affect their behaviour and performance.

6.1.1 Why do people join groups?

Since most people belong to a number of groups, it is obvious that different groups provide different benefits to their members. The most popular reason for joining groups are related to our needs for security, identity, affiliation, power and engaging in common tasks.

i. **Security**

By joining a group, we can reduce the unisexuality of 'standing alone' — We feel stronger, have fewer self-doubts and are more resistant to threats. New employees are more vulnerable to a sense of isolation and turn to the group for guidance and support. We get reassurance from interacting with others and being part of a group. This often explains the appeal of unions — if management creates an environment in which employees feel insecure, they are likely to turn to unionization to reduce their feelings of insecurity.

ii. **Identity, Self Esteem and Status**

Membership in one or more groups can help us to reassure us that we are important. Similarly, many employees in organizations place a high value on meeting their esteem needs and look to membership in both formal and informal groups for satisfaction of these needs. Groups can also fulfill intrinsic needs. Being assigned to a task force whose purpose is to review and make recommendations for the location of the company's new corporate headquarters can fulfill one's intrinsic needs for competence and growth, as well as one's extrinsic need or status and influence.

iii. **Affiliation**

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 need for affiliation. For almost all people, work groups significantly contribute to fulfilling their needs for friendships and social relations.

iv. **Power**

One of the appealing aspects of groups is that they represent power. What cannot be achieved individually becomes possible through group action. Informal groups additionally provide opportunities for individuals to exercise power over others. For individuals who desire to influence others, groups can offer power without a formal position of authority.

v. Group Goals

There are times when it takes more than one person to accomplish a particular task — there is need of people’s talents, knowledge or power in order to get a job completed. In such instances, management will rely on the use of a formal group.

6.2 KEY GROUP CONCEPTS

The foundation for explaining and predicting group behaviour can be found in three concepts — roles, norms and status.

i. Roles

All group members are actors, each playing a role. By this term, we mean a set of expected behaviour patterns attributed to someone occupying a given position in a social unit. The understanding of role behaviour would be dramatically simplified if each of us choose one role and “played it out” regularly and consistently. We are required to play a number of diverse roles. both on and off our jobs. One of the tasks in understanding behaviour is grasping the role that a person is currently playing. We all are required to play a number of roles and our behaviour varies with the role we are playing.

- a. *Role identify:*** There are certain attitudes and actual behaviour consistent with a role and they create the role identity. People have the ability to shift roles rapidly, when they recognize that the situation and its demands clearly require major changes. When the situation is more vague and the role one is to play less clear, people often revert to old role identities. For example, an investigation of high school reunions verified this view. At the reunions studied, even though participants had been away from high school and their old peers for 5, 10 or 20 or more years, they reverted back to their roles. The “ins” replayed their former roles, as did the “outs” with the role requirements ill — defined, identities became clouded, and individuals reverted back to old patterns of behaviour.
- b. *Role Perception:*** One’s view of how one is supposed to act in a given situation is a role perception. Where do we get these perceptions? One author suggests that we all learn roles from such media as movies, books and television and from Friends. The basic reason apprenticeship programs exist in many trades and professions — is to allow individuals to watch an “expert” so they can learn to act as they are supposed to.
- c. *Role Expectations:*** Role expectations are defined as how others should act in a given situation. How you behave is determined, to a large part, by the role defined in the context in which you are acting. When role expectations are concentrated into generalized categories, we have role stereotypes. For example, In 1950’s, a woman’s role was to stay home, take care of the house, raise children and generally care for her husband. Today, most of us no longer hold this stereotype. Girls can aspire to be doctors, lawyers etc. Many of us have changed our role expectations of women and similarly, many women carry new role perceptions.

In the workplace, it can be helpful to look at role expectations through the perspective of the psychological contract. There is an unwritten agreement that exists between employees and their employer which sets out mutual expectations — what management expects from workers and vice versa. Management is expected to treat employees justly, provide acceptable working conditions and give feedback on how well the employee is doing. Employees are expected to respond by demonstrating a good attitude, following directions and showing loyalty to the organizations. What happens if role expectations as implied in the psychological contract are not met? If management fails to keep upto its role, negative repercussions on employee performance are expected. When employees fail to live up to expectations, the result is usually some form of disciplinary action upto and including firing. The psychological contract points out the importance of accurately communicating role expectations.

- d. **Role conflict:** When an individual is confronted by divergent role expectations, the result is role conflict. It exists when an individual finds that compliance with one role requirement may make more difficult the compliance with another. Many believe that, role conflict is the most critical role concept in attempting to explain behaviour. The behaviour expectations that are perceived as acceptable by one group are often totally in disagreement with the expectations of other groups. All of us have faced and will continue to face role conflicts. The critical issue is how conflicts imposed by divergent expectations within the organization impact on behaviour. Certainly they increase internal tension and frustration. There are a number of behavioural responses one may engage in. For example, A worker faced with the conflicting requirements imposed by the corporate controller's office and his own plant manager, decides in favor of his immediate boss — the plant manager.
- e. **Spatial Influences on Role:** Research evidence indicates that, the way individuals position themselves within a group, that is, spatial arrangement that they voluntarily develop, is far from random. Spatial factors can also determine who, within a group, will be chosen or accepted for a leadership role. When one wants to take on the role of adversary or to emphasize superior subordinate relationships, it is natural to place a barrier between himself and others. It can be illustrated by comparing a traditional classroom situations, where the instructor stands in front of the class with students seated in rows and columns and a less structured situation with the chairs geographically dispersed in a circle and the instructor taking one of the seats in the circle. The latter increases group interaction, reduces the feeling of superior — subordinate interaction and places the instructor on a more equal footing with the students. Studies suggest the interrelationship between spatial factors and the roles individuals play. In some cases, spatial factors influence role and in other cases role influences spatial factors.

ii. **Norms**

All groups have established norms, that is, acceptable standards of behaviour that are shared by the group members. Norms tell members what they ought or ought not to do under, certain circumstances. When agreed to and accepted by the group, norms act as a means of influencing the behaviour of group members with a minimum of external controls. Norms differ among groups, communities and societies, but they all have them.

Formalized norms are written up in organizational manuals, setting out rules and procedures for employees to follow. Majority of the norms are informal. For example, when we are in an employment interview discussing what we did not like about our previous job are certain things we should not talk about (difficulty in getting along with co-workers or our supervisor). While it is very appropriate to talk about other things (inadequate opportunities for advancement or meaningless work). Evidence suggests that even high school students recognize that in such interviews, certain answers are more socially desirable than others.

- a. **The Hawthorne studies:** A study undertaken at Western Electric Company's Hawthorne works in Chicago between 1927 and 1932 under the direction of Harvard psychologist Elton Mayo, concluded that a worker's behaviour and sentiments were closely related, that group influences were significant in affecting individual behaviour, that group standards were highly effective in establishing individual worker and it put that money was less a factor in determining worker output than group standards, sentiments and security. The Hawthorne researchers began by examining the relation between the physical environment and productivity. Illumination, temperature and other working conditions were selected to represent this physical environment. They began with illumination experiments with various groups of workers by manipulating the intensity of illumination upward and downward and noting changes in output. Results varied, but one thing was clear. In no case

was the increase or decrease in output in proportion to the increase or decrease in illumination. As a follow up to the illumination experiments, the researchers began a second set of experiments in the relay assembly test room at Western Electric. A small group of women were isolated away from the main work group for careful observation under the research assistant who acted as an observer — keeping records of output, rejects, working conditions and a daily log sheet describing everything that happened over 2½ years period. This small group's output increased steadily as did its morale. What became evident was that, this group's performance was significantly influenced by its status of being a "special" group. The women in the test room thought being in the experimental group was fun, that they were in sort of an elite group, and that management was concerned with their interest by engaging in such experimentation. A third experiment in the bank wiring observation was similarly designed for male workers. In addition, a sophisticated wage incentive plan was introduced as the assumption that individual workers will maximize their productivity when they see that it is directly related to economic rewards. The most important finding was that employees did not individually maximize their outputs, rather their output became controlled by a group norm that determined what was a proper day's work. Output was not off by being restricted, but individual workers were giving erroneous reports. Interviews determined that the group was operating well below its capability and was leveling output in order to protect itself. They helped each other to ensure that their reports were nearby the level. The norms that the group established included a number of "don'ts". Don't be a rate buster, turning out too much work Don't be a chiseler, turning out too little work. How did the group enforce these norms? Their methods included sarcasm, name — calling and ridicule. Members would also ostracize individuals whose behaviour was against the group's interest.

The Hawthorne studies made an important contribution to understanding of group behaviour — particularly to the significant place that norms have a place in determining individual work behaviour.

- b. *Social Desirability and Conformity:*** Groups create within themselves an environment that places members under great pressure to conform to the group's norms. What these norms are depend on the group and its purposes. Most groups tend to advocate both behaviour and attitudes that are socially desirable. Norms set by groups in organizations are influenced by a larger set of standards established at the societal level. Socially desirable attitudes and behaviour are important determinants of group norms. There are group norms that press us towards conformity. We desire to be one of the groups and avoid being visibly different. We can generalize; further to say that when an individual's opinion of objective data differs significantly from that of others in his group, he feels extensive pressure to align his opinions to conform with that of the others.

iii. Status

Most of us are greatly concerned with acquiring status symbols. For tunately or unfortunately, depending on your predilection, we live in a class-structured society. We have made little movement toward a classless society. Even the smallest group will develop roles, rights and rituals to differentiate its members. Status is an important factor in understanding behaviour, because it is a significant motivator and has major behavioural consequences when individuals perceive a disparity between what they perceive their status to be and what others perceive it to be. Status is a prestige, grading, position, or rank within a group. it may be formally imposed by a group, that is, organizationally imposed, through titles or amenities. Whether management acknowledges the existence of a status hierarchy or not, organizations are filled with amenities that are not uniformly available to everyone and, hence, any status value. Status may be informally acquired by characteristics as education, age, skill or experience. Anything can have status value if others in the group evaluate it as such. But just because status is informal, does not mean that it is less important or that there is less agreement on who has it or who does not. We can and do place people into status categories and their appears to be high agreement among members as to who is high, low and in the middle.

- a. **Sources of status:** Status is given by the group and as such is a value perception. It varies by time and place. In many groups, vocabulary alone is a prime determinant of group acceptance and status speech that is frequently spotted with certain phrases can suggest that a person is “in”, a member of a certain status element. Basically, organizations give status through one of four ways.
- i. Occupation — He is a Supreme Court Justice.
 - ii. Organizational association — I’m with the FBI.
 - iii. Organizational level. He holds the position of Executive Director.
 - iv. Salary — I make a hundred thousand rupees a year.
- Additionally, status may be a personal attribute valued by others. Such as age, education, race, religion, skills, experience or competence.

Even workloads have status connotations. Among college professors, a frequent measure of prestige is teaching load. Paradoxically, the status of teachers among their peers is directly related to how little they teach. Four or five courses a week are viewed as a lot of work and is considered low status. Three is more than competitive and suggests that the teacher is being given some release time to engage in research. Two courses is better yet. Teaching only one course a semester is very infrequent and hence carries very high status. Of course, the eminent status position is reserved for the “teacher” who has succeeded in achieving the ultimate — no teaching load.

- b. **Status equity:** It is important for group members to believe that the status hierarchy is equitable. When inequity is perceived, it creates disequilibrium resulting in various types of corrective behaviour. The trappings that go with formal positions are also important elements in maintaining equity. If we believe there is an inequity between the perceived ranking of an individual and the status he or she is given by the organization, we are experiencing status incongruence. Some examples of incongruence are the supervisor earning less than his/her subordinates, the more desirable office locations being held by a lower ranking individual. Employees expect the things an individual has and receives to be congruent with his or her status. Groups generally agree within themselves or status criteria and hence tend to rank individuals fairly closely. Individuals can find themselves in a conflict situation when they move between groups whose status criteria are different or where groups, are formed of individuals with heterogeneous backgrounds. Where heterogeneous groups are forced to be interdependent, there is a potential for status differences to initiate conflict, as the group attempts to reconcile and align the differing hierarchies.
- c. **Clothings and the key group concepts:** The clothes you wear — whether you are male or female; — are an identifying costume that is an important ingredient in determining how others perceive you and behave towards you. What you wear can define your social role, your status level and specify behavioural norms that you are expected to demonstrate. Your clothes on the job are your uniform. It need not be overall or a traditional wear uniform. Whatever you wear to work identifies your status, group membership and legitimacy. Those who fail to wear the appropriate uniform for the role they play, create ambiguity in role expectations.

6.3 IMPLICATIONS ON PERFORMANCE AND SATISFACTION

Roles, norms and status have a significant impact on groups behaviour. Let us review the influence of each.

- i. **Roles**
When a person plays out his/ her role as it is supposed to be played, it improves the ability of others to predict the behaviour of the role incumbent. We can predict an individual’s behaviour in new encounters by superimposing the role requirements of the situation upon him / her. Knowledge of an incumbent’s role perception and other’s expectations can also be beneficial in predicting role conflict and possibly explaining the behaviour of the individual experiencing the conflict.

ii. Norms

Norms control group member behaviour by establishing standards of right or wrong. If we know the norms of a given group, it can help us to explain the attitudes and behaviour of its members. Where norms support high output, we can expect individual performance to be markedly higher than where group norms aim to restrict output. Similarly, acceptable standards of absence will be dictated by the group norms. Given the inverse correlation between satisfaction and turnover, it would also be reasonable to assume that if the group's norms reinforce complaining and consistent outward demonstration of job dissatisfaction, the propensity for members to terminate employment may be greater. On the other hand, members may enjoy this batching and it may not affect turnover rates. For example, It is not unusual for union members to play the role of "abused and exploited worker". The group may establish such stereotype as part of the norm. In such cases, it may have no real influence on satisfaction or quitting rates.

iii. Status

Inequities create frustrations and can adversely influence productivity, satisfaction and willingness to remain with an organization. There appears to be a strong correlation between the prestige of an occupation and member's satisfaction with their job. The prestige of an occupation depends on the amount of skill the job calls for, the degree of specialized education and training it requires, the level responding and autonomy involved in work performance and the income, which it brings. All these factors have direct relationship to satisfaction and at the same time are linked to status. The higher the status of occupation, the more satisfied are persons who engage in it. In North America, professionals have the highest occupational prestige and they also have the highest level of work satisfaction. In contrast, significantly lower scores were made by skilled tradesmen and blue-collar workers.

Check your Progress – 6.3

Answers in brief:

1) Define Group.

.....

2) All groups have established acceptable standards of behaviour that are shared by the group members.

.....

3) What are the implications for performance and satisfaction?

.....

6.4 GROUP BEHAVIOUR MODEL

George Humans developed this model to describe work group behaviour. Even though it is more than 3 decades old, the model continues to have considerable value for explaining group behaviour. Basically, it attempts to identify the outputs of group effort. Tasks are accomplished, intrinsic satisfactions are relieved, and / or personal growth is experienced. It considers those factors outside of the group itself, personalities of members, the formal requirements of the group, and the actual behaviours that emerge. The model proposes that there is a chain of influences whereby background and individual personal factors impart on the formal system to produce actual behaviour, which in turn, produce the outcomes of group behaviour.

6.4.1 Key components of the Model

i. Activities

They are the physical movements that individuals make that can be observed by others. They include things like running, sitting, uniting and operating a machine.

ii. Interaction

It refers to the verbal and non-verbal communication and contacts that actually take place between people. It occurs when two or more people in some way affect each other through independent behaviour. When we observe and analyze interaction, we look for frequency with which interaction occurs, the duration or length of the interaction and finally the order of the interaction. Who does the initiating frequency, duration and order of interaction gives us insight in to the importance of the interaction and the relative status of those who are interacting.

iii. Sentiments

They are the values, attitudes and beliefs within a person. They include all the positive and negative feelings that group members hold about each other. Because, feelings are often not directly observable, they must be inferred from the activities and interactions that express them. In analyzing sentiments, we look at the number of people who share them, how intense their feelings are and the degree of conviction they have. Prejudice towards a certain individual, for example, may be narrowly or widely shared, mildly or strongly felt, flexible or enhanced.

iv. Required behaviour

It refers to the activities, interactions and sentiments that are defined by the group's formal leaders and assigned to the members as their specified roles. Individuals are required to perform these behaviour if they are to maintain their standing within the group. For example. An accounts clerk must tally invoices that are received daily, stamp them, match them with purchase orders etc. Failure to engage in this required behaviour would disrupt the operations of the formal system.

v. Emergent behaviour

It refers to behaviour that is not required. It is in addition to what is required. It relates as the personal system by making work more interesting and satisfying, or it can be detrimental when it interferes with the formal system efficiency and effectiveness.

6.4.2 Background Factors

The background factors influence group behaviour. Groups do not function in isolation. Influences on behaviour include, in addition to the group setting, those things, places, people, processes and events that go on outside of the group. The more obvious of these background factors are the organizational culture, job design and technology utilized and the reward system.

i. Organizational culture

It is a term that captures the internal atmosphere or personality of the organization. How things are supposed to be done, what is appropriate there, or whether its acceptable to question the boss's decision, are determined by an organization's culture. Since work groups are part of the large organization, the culture of the larger system sets parameters for the behaviour of members who are part of the sub-systems. The way those things are generally done in the overall organization will be a major determinant of the ways things will be done in groups within the organization.

ii. Job design and technology

It refers to the means the group uses to achieve its objectives; that is. how it turns impacts into outputs. Formal authority patterns, the sequencing of workflow. standardized methods and procedures, the layout of facilities, and the actual materials, tools and equipment that group member's use are all part of job design

and technology. How do these factors influence group behaviour? In contrast, it would be more difficult to interact if there is considerable physical separation, walled barriers, close supervision, high noise levels or high speed conveyor belts that cannot be left unattended. Because job design and technology are a major influence on who is likely to, must or cannot interact with whom, and on when interaction can take place, they both cause and limit activities, interactions and sentiments.

iii. **Reward System**

Formal reward system of the organization influences group members by identifying which behaviour will be rewarded and which will not. The ways in which pay is allocated, recognition and praise are given, and promotions determined, are issues that group members will be concerned about. But, they also will be influenced by the informal rewards that the group itself can offer. The group's ability to give or withhold support, for example, is a powerful influence on its member's behaviour. The end result is that, the combination of formal and informal rewards clarify which activities, interactions and sentiments pay off and which do not.

The economic factors, the external status hierarchy, government legislations also influence group behaviour. The key point to be noted is that, background factors form the "given" that influence observed behaviour.

6.5 CHARACTERISTICS OF GROUP DECISION MAKING

Groups are frequently used in organizations for the purpose of solving problems or making decisions. The use of decision-making groups typically called committees is common in almost all business firms, hospitals, schools etc. The use of committees increases the change that those who have to accept and implement a decision will do so. If you have participated on a committee and played an active part in its deliberation, you're more likely to see that, its decisions are carried out and to exert the extra effort to ensure that they work. So the popularity of committees can be attributed to this ability to develop and implement effective decisions. The advantages of group decisions do not come without costs. Groups are vulnerable to two important phenomena that affect the group's ability to appraise alternatives and arrive at decision solutions.

i. **Group think**

The first phenomenon called group think is related to norms. It describes situations where group pressures for conformity, deters the group from critically appraising, unusual, minority or unpopular views. Group think is a disease that attacks many groups and can dramatically hinder their performance. Have you ever felt like speaking up in a meeting, classroom, or informal group, but decided against it? One reason may have been shyness. On the other hand, you may have been a victim of group think, the phenomena that occurs when group members become so enamoured with seeking concurrence that the norm for consensus overrides the realistic appraisal of alternative courses of action and the full expression of deviant, minority or unpopular views. It describes a deterioration in an individual's mental efficiency, reality testing and moral judgments as a result of group pressures. Individuals who hold position that is different from the dominant majority are under pressure to suppress, withhold or modify their true feelings and beliefs. As members of a group, we find it is more pleasant to be in agreement to be a positive part of the group than to be a dissipative force, even if disruption is necessary to improve the effectiveness of the group's decisions. All groups, to some degree, suffer from group think. It is a natural by product of individual desire for consensus and agreement.

ii. **Risky shift phenomenon**

In comparing group decisions that have a clear dimensions of risk with the individual decisions of members within the group, evidence suggests that there are differences. In some cases, the group decisions may be more conservative than the individual decision, but more often the shift is toward greater risk taking. In any given instance of group decision making, laboratory experiments indicate that there is a distinct possibility that the solution will have a higher degree of risk attached to it than

many of the member would have been willing to take on their own. This phenomenon is called risky shift that might cause the risky shift phenomenon to occur.

- a. **Familiarization hypothesis:** The familiarization argument is that, group discussion allows individuals to become more familiar with the situations being discussed and this increased familiarity is responsible for the observed shift towards risk. Initially, there is a 'feeling out or 'go slow' period, but once individuals feel generally comfortable, they become more bold and daring. If one accepts this view, then any procedure that will increase familiarity with an issue involving risk will cause persons to assume more risk on that issue.
- b. **Leadership hypothesis:** It suggests that risk takers are perceived as group leaders, and are more dominant and influential in the group discussion and as a result, the risky shift can be explained in terms of the influence of risky leaders.
- c. **Risk as value hypothesis:** It assumes that moderate risk has a stronger cultural value than caution in our society, that we generally admire persons who are willing to take risk, and that group discussion motivates individuals to show that they are at least willing as their peers to take risks. Those whose initial private positions were less risky than the group average, will recognize their relative cautiousness and recommend greater risk in order to restore their self-perceptions as being relatively risky people.
- d. **Diffusion of responsibility hypothesis:** It proposes that group decisions free the individuals from accountability for the group's final choice. If the decision fails, no one individual can be held wholly responsible.

No one of the four hypotheses can fully account for the risky shift phenomenon. Each has some credibility. We should be aware of the phenomena and its implication for proposals to make organizational decisions making more democratic.

6.6 TOWARDS IMPROVED GROUP DECISION MAKING

Two group decision making techniques have been suggested that attempt to structure the decision process so as to reduce many of the problems inherent in the traditional interacting group.

i. Nominal Group Technique

It restricts discussion or interpersonal communication during the decision making process; hence the term nominal. The following steps take place:

- a. Members meet as a group but, before any discussion takes place, each member independently writes down his or her ideas on the problem.
- b. It is followed by each member presenting one idea to the group. Each member takes his or her turn, going around the table, presenting a single idea until all ideas have been presented and recorded. No discussion takes place until all ideas have been recorded.
- c. The group now discusses the ideas for clarity and evaluates them.
- d. Each group member silently and independently rank orders the ideas. The final decision is determined by the idea with the highest aggregate ranking.

The chief advantage is that, it permits the group to meet formally but does not restrict independent thinking, as does the interacting group.

ii. Delphi Technique

It does not require the physical presence of the group's members. The Delphi Technique never allows the group members to meet face to face. The steps involved are:

- a. The problem is identified and members are asked to provide potential solutions through a series of carefully designed questionnaires.
- b. Each member anonymously and independently completes the first questionnaire.
- c. Results of the first questionnaire are compiled at a central location, transcribed and reproduced.

- d. Each member receives a copy of the results.
- e. After viewing the results, members are again asked for their solutions. The results typically trigger new solutions or cause changes in the original position.
- f. Steps d and e are repeated as often as necessary until consensus is reached.

The above technique insulates group members from the undue influence of others. Because it does not require the physical presence of the participants, it can be used for decision making among geographically scattered groups. The method is extremely time consuming. It cannot be applied where a speedy decision is necessary. The ideas that might surface from the heat of face-to-face interaction may never arise.

6.7 GROUP COHESIVENESS

It is defined as the degree to which members are attracted to one another and share the group's goal. That is, the more the members are attracted to each other and the more the group's goals align with their individual goals, the greater the group's cohesiveness.

6.7.1 Determinants of Cohesiveness

Cohesiveness can be affected by such factors as:

i. Time spent together

If you rarely get an opportunity to see or interact with other people, you're unlikely to be attracted to them. The amount of time that people spend together, therefore, influences cohesiveness. The opportunity for group members to spend time together is dependent on their physical proximity. We would expect more close relationships among members who are located close to one another rather than far apart.

ii. Severity of Initiation

The more difficult it is to get into a group, the more cohesive that group becomes. The hazing that fraternities typically put their pledges through is meant to screen out those who don't want to "pay the price" and to intensify the desire of those who do to become fraternity activities. But, group initiation need not be as blatant as hazing. The competition to be accepted to a good medical school results in first year medical school classes that are highly cohesive. The common initiation rites — applications, test taking, interviews and the long wait for a final decision, all contribute to creating this cohesiveness.

iii. Group Size

Cohesiveness should decrease as group size increases, since it becomes more difficult for a member to interact with all the members. As group size expands, interaction with all members becomes more difficult, as does the ability to maintain a common goal. As a single group's size increases, the likelihood of cliques forming also increases. The creation of groups within groups tends to decrease overall cohesiveness.

iv. External Threats

A group's cohesiveness will increase if the group comes under attack from external sources. Management threats frequently bring together an otherwise dismayed union. While a group generally moves towards greater cohesiveness when threatened by external agents, this does not occur under all conditions. If members believe the attack is directed at the group merely because of its existence and that it will cease if the group is abandoned or broken up, there is likely to be a decrease in cohesiveness.

v. Previous Successes

If a group has a history of previous success, it builds an esprit de corp's that attracts and unites members. Successful firms find it easier to attract and hire new employees. The same holds true for successful research groups, well known and prestigious universities and winning athletic teams.

6.8 COHESIVENESS AND GROUP PRODUCTIVITY

Is cohesiveness related to increased productivity?

Research has generally shown that highly cohesive groups are more effective than those with less cohesiveness. but the relationship is more complex than merely allowing us to say high cohesiveness is good. First, high cohesiveness is both a cause and outcome of high productivity. Second, the relationship is moderated by the degree to which the group's attitude align with its formal goals or those of the larger organization of which it is a part. Cohesiveness influences productivity, productivity influences cohesiveness. Camaraderie reduces tension and provides a supportive environment for the successful attainment of group goals, and the member's feelings of having been a part of a successful unit, can serve to enhance the commitment of members. More important has been the recognition that the relationship of cohesiveness and productivity depends on the alignment of the group's attitudes with its formal goals, or for work groups, those of the larger organization of which it is a part. The more cohesive a group, more its members will follow its goals. If these attitudes are favourable (i.e. high output, quality work, co-operation with individuals outside the group), a cohesive group will be more productive than a less cohesive group. But if cohesiveness is high and attitudes unfavourable, there will be decrease in productivity. If cohesiveness is low and there is support of goals, productivity increases but less than in the high cohesiveness high support situation. Where cohesiveness is low and attitudes are not in support of the organizations goal, there seems to be no significant effect of cohesiveness upon productivity.

High cohesiveness tends to have a positive impact on satisfaction and the reduction of absenteeism, tardiness and turnover among group members. However, it may or may not affect productivity, depending on the congealment between the group's goals and the organization's goals.

6.9 TEAM

Teams can do a variety of things. For example: they can provide services, co-ordinate project works, make products, negotiate discussions or deals, offer conjecturally or make decisions.

Organizations are the grand strategies created to bring order out of chaos when people work together. Organizations provide the skeletal structure that helps create predictable relationships among people, technology, jobs and resources. Whenever people join in a common effort, organization must be used to get productive results.

The necessity for organization and the havoc of disorganization are illustrated by disorganizing a short sentence: riiggnagesnotztlsuse In this form it is nonsense. Now let us recognize substantially: "organizinggetsresults". In this condition it is workable, but difficult. By the slight change of converting to a capital "o" and adding two spaces, it reads: "Organizing gets results". The organizing of people and things is essential for co-ordinated work.

Check your Progress – 6.9

1) What are the two techniques for improving group decision making?
.....
.....

2) Groups are vulnerable to two important phenomena that affect the group's ability to appraise alternatives and arrive at decision solutions.
.....
.....

→

3) What are the determinants of cohesiveness?
.....
.....

6.10 ORGANIZATIONAL CONTEXT FOR TEAMS

6.10.1 Classical Concepts

It is needless to mention that, teams usually out perform individuals when dealing with tasks involving multiple skills, precise judgment and unfailing experience. Many successful organizations have structured themselves to compete effectively and efficiently by turning to formation of teams as a method to use the employee’s talents in a better manner. Incidentally, teams are said to be more flexible and responding to changing events than the usual departments of an organization.

Classical organization theory is the process of starting with the total amount of work to be done and dividing it into divisions, departments, jobs and assignments of responsibilities to people. It is achieved by means of division of work creating levels of authority and functional units and delegation assigning duties, authority and responsibility to others. The result is an operating hierarchy, which is visually potrayed in an organization chart.

Each organization structures itself and operates somewhat differently. Some managers, for example, delegate more often than others do. One study of claims adjusters and their supervisors in an insurance company indicated that, several factors apparently contributed to a higher degree of delegation. Among them were the supervisor’s perception of subordinates as capable and trustworthy and the presence of a heavy work load on the supervisor. Delegation of authority is also more likely when supervisors believe that employees hold the necessary background information to make a wise decision and when the outcome of an employee’s decision would create only minimal risk for the organization.

Where as a work team generates positive synergy through co-ordinate efforts. In fact the efforts of each individual in the team, has a certain level of performance which is greater than the sum total of all individuals.

Management is thriving for increasing the organizational performance and for that purpose they make extensive use of teams. Effective teams have definately certain common characteristics and forming a team doesn’t automatically increase its performance.

There are several types of teams created by different types of organization. These creations are after identifying common types of terms prominently notice in the present managerial organizations. They are:

- i. Problem solving teams
- ii. Self-managed teams
- iii. Cross functional teams and
- iv. Virtual teams

Manager as linking pins

When division of work and delegation are coordinated correctly, the result is an intricate web of relationships that links people into a smoothly working organization. Each level has functional teams that are linked to the next level above and below them. This is known as linking pin concept. Each manager serves as a linking pin connecting that manager’s group with the remainder of the organization. If all linking pins are effective, then the organization can operate as an integrated whole. On the other hand. if there is

a weakness anywhere in the chain of linking pins, the organization tends to be less effective.

When managers see themselves as linking pins uniting and serving the whole organization, they function more effectively. Maintaining such an organization-wide perspective can be difficult, especially when managers are held responsible for their own unit's results and are compensated on the basis of its performance. Nevertheless, when employees understand a manager's role as a linking pin for the whole organization, the managers can serve to both their unit and the organization as a whole more effectively.

6.10.2 Contingency Organizational Design

The trend is towards more contingency organizational design. Which recognizes that, different organizational structures and processes are required for effectiveness in varying situations. Some major forces effecting the choice of structures are the organization's strategy, its technology, its size and even the preferences of its top managers. Environments differ also, and what is an appropriate organizational design in one environment may not be appropriate in another. Since environments change over time (sometimes rapidly), there is a special need for organizational designs to be flexible so that they can be changed to best fit the changing environment. The contingency point of view requires a fundamental change in philosophy from the traditional view that, there are preferred ways of organizing that could remain relatively fixed over time.

Mechanistic and organic forms

Some of the earliest research on contingency design was by Tom Burns and George Stalker in Britain. They distinguished between mechanistic and organic organizations. Mechanistic organizations fit the traditional hierarchical way of organizing. People are specialized into many activities that are directed by layers of supervision. Each higher level has more power and influence until the top is reached, where central direction of the whole organization takes place. Work is carefully scheduled, tasks are certain, roles are defined strictly and most formal communication flows along the lines of hierarchy. The whole structure is organized like a well- designed machine and incorporates many of the characteristics of a bureaucracy.

Organic organizations are more flexible and open. Tasks and roles are less rigidly defined, allowing people to adjust them to situational requirements. Communication is more multidirectional. It consists more of information and advice and joint problem solving rather than instructions and decisions. Authority and influence flow more directly from the person who has the ability to handle the problem at hand.

Decision making is more decentralized, being shared by several levels and different functions. The organization also is more open to its environment. Burns and Stalker showed that mechanistic forms are more effective than organic forms in certain situations. If tasks are stable and well defined, changing very little from month to month and year to year, a mechanistic form tends to be superior. If changes in the technology, market and other parts of the environment are minimal, then a mechanistic structure seems to be more effective. Worker attitudes also are a contingency factor. If workers prefer more routine tasks and direction from others, then a mechanistic form better meets their needs. If they are threatened by ambiguity and insecurity, then a mechanistic approach is better.

Organic forms are more effective in other situations and these situations tend to be more typical in modern society. Organic forms work better if the environment is dynamic, requiring frequent changes within the organization.

They also work better when the tasks are not defined well enough to become routine. If employees seek autonomy, openness, variety, change and opportunities to try new approaches, then an organic form is better. If they do not, a mechanistic form may still be preferred. Teams are more likely to be used within an organic form of organization, because they provide the flexibility that modern organizations require.

A contingency approach to organizing may be applied within an organization, with the result that various departments may be organized differently to meet their particular needs. The research department may have an organic structure and the production department may require a mechanistic structure.

6.11 TEAM WORK

We are aware of the role of an employee involvement as a motivator. The teams facilitate employee participation in making operational decision because the employees know the products much better than others.

The teams are popular because of their effectiveness for management to have democratic organizations and also increase the employee motivation.

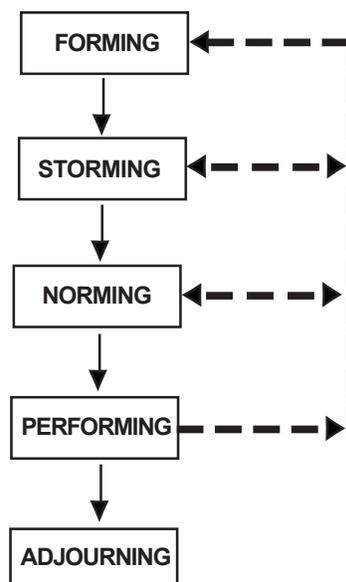
Individual employees perform operating tasks, but the vast majority of them work in regular small groups where their efforts must fit together like the pieces of a picture puzzle. Where their work is interdependent, they act as a task team and seek to develop a co-operative state called teamwork.

A task team is a co-operative small group in regular contact that is engaged in coordinated action. The frequency of team members interaction and the team's ongoing existence make a task team clearly different from either a short term decision making group or a project team. When the members of a task team know their objectives, they contribute responsibly and enthusiastically to the task and support one another, they are exhibiting teamwork. At least four ingredients contribute to the development of teamwork : a support environment, skills matched to role requirements. subordinate goals and team rewards. New teams typically progress through a series of developmental stages, which are discussed ahead.

6.12 LIFE CYCLE OF A TEAM

When a number of individual's begin to work at inter-dependent jobs, they often pass through several stages as they learn to work together as a team. These stages are not rigidly followed, but they do represent a broad pattern that may be observed and predicted in many settings across the team's time together. The stages are the result of arietvot questions and issues that the team predictably faces. In addition, members want to know which rules to follow and what each person should contribute.

Life cycle of a team can be illustrated as help in the form of a diagram:



The typical stages in a team's evolution are:

- i. **Forming:** Members share personal information. Start to get to know and accept one another and begin aiming their attention towards the group's tasks. An area of courtesy prevails and interactions are often cautious.
- ii. **Straming:** Members compete for status, jockey for positions of relative control and agree about appropriate directions for the group. External pressures interfere with the group and tensions rise between individual's as they assert themselves.
- iii. **Norming:** The group begins moving together in a co-operative fashion and a tentative balance among competing forces is struck. Group norms emerge to guide individual behaviour and co-operative feelings are increasingly evident.
- iv. **Performing:** The group matures and learns to handle complex challenges. Functional roles are performed and fluidly exchanged as needed and tasks are efficiently accomplished.
- v. **Adjourning:** Even the most successful groups, -committees and project teams disband sooner or later. Their breakup is called adjourning which requires dissolving intense social relations and returning to permanent assignments. The adjournment stage is becoming even more frequent with the advent of flexible organizations, which feature temporary groups.

Advising teams of these likely stages can be helpful to group members and their leaders. Awareness by all team members can help them better understand what is happening and work through the issue involved. Groups are always different of course; consequently, not all teams will clearly experience all the stages of the life cycle. Some groups may be temporarily "stuck" in a certain stage, and others may find themselves reverting to an earlier stage from time to time. To expedite their own development, team members may find it useful to know what elements help create successful teams.

6.13 INGREDIENTS OF EFFECTIVE TEAMS

- i. **Supportive Environment**
Teamwork is most likely to develop when management builds a supportive environment for it. Creating such an environment involves encouraging members to think like a team, providing adequate time for meetings, and starting faith in member's capacity to achieve. Supportive measures such as these help the group take the necessary first steps towards teamwork. Since these steps contribute to further co-operation, trust and compatibility, supervisors need to develop an organizational culture that builds these conditions.
- ii. **Skills and Role Clarity**
Team members must be reasonably qualified to perform their jobs and have the desire to co-operate. Beyond these requirements, members can work together as a team only after all the members of the group know the roles of all the others with whom they will be interacting. When this understanding exists, members can act immediately as a team on the basis of the requirements of that situations, without waiting for someone to give an order. In other words, team members respond voluntarily to the demands of the job and take appropriate actions to accomplish team goals.

An example is a hospital surgical team, whose all members respond to a crisis during an operation. Their mutual recognition of the emergency alerts them to the need for simultaneous action and co-ordinated response. Each knows what the others can do, and trusts them to perform capably. The result is a highly efficient level of co-operation characteristic of a team.

If one member of a surgical team fails to perform in the right way at the right time, a person's life may be endangered. In more ordinary work situations, a life may not be in danger, but product quality or customer service may suffer by the failure of just one member. All the members are needed for effective teamwork.

iii. **Super-ordinate Goals**

A major responsibility of managers is to try to keep the team members oriented towards their overall task. Sometimes, unfortunately, an organization's policies, record keeping requirements, and reward systems may fragment individual efforts and discourage teamwork. A district supervisor for a petroleum company tells the effect on sales representatives of below-quota reports:

Sales representatives are expected to make quotas in their individual territories in the same way that the Eastern district as a whole is expected to make its quota in certain products — or e.g.. Motor oil. It is a known practice for some of the sales representatives in the field to delay a delivery in their territories until the next month, if they already have their quotas made. The focus of the sales representatives is on their own quotas, not on the district quota. Any sales representative who is below quota in a product for a month must report the reason for the reduction. A sales representative who makes a large sale of several hundred gallons of motor oil to a customer knows that the next month the customer may not buy any oil, causing the representative to be below quota that month and to have to file a report.

The supervisor in the case just described might consider the creation of a super-ordinate goal, which is a higher goal that integrates the efforts of two or more persons. Super-ordinate goals can be attained only if all parties carry their quota. Such goals serve to focus attention, unify efforts and stimulate cohesive teams.

iv. **Team Rewards**

Another element that can stimulate teamwork is the presence of team rewards. These may be financial, or they may be in the form of recognition. Rewards are most powerful if they are valued by the team members, perceived as possible to earn and administered contingent on the group's task performance. In addition, organizations need to achieve a careful balance between encouraging and rewarding individual initiative and growth and stimulating full contributions to team success. Innovative (non-financial) team rewards for responsible behaviour may include the authority to select new members of the group, make recommendations regarding a supervisor, or propose discipline for team members.

6.14 POTENTIAL TEAM PROBLEMS

Effective teams in action are a pleasure to observe. Members are committed to the firm's success, they share common values regarding product quality, safety and customer satisfaction and they share the responsibility for completing a project on schedule. Being complex and dynamic, team work is sensitive to all aspects of organizational environment. Teamwork grows slowly, but on occasions it declines quickly. e.g.. Too many changes and personnel transfers interfere with group relationships and prevent growth of teamwork. Other potential problems also exist. The departure from classical lines of authority may be difficult for some employees to handle responsibly. The extensive participation in decision making consumes large amounts of time. Experimentation with team activities may lead to charges of partiality from other employees. Also, the combination of individual efforts may not result in improved overall performance.

For Example

When employees think their contributions to a group cannot be measured, they may lessen their output and engage in social loafing. Causes of social loafing include a perception of unfair division of labour, a belief that co-workers are lazy, or a feeling of being able to hide in a crowd and therefore not be able to be singled out for blame. Social loafing may also arise if a member believes that others intend to withhold their efforts and thus he or she would be a sucker not to do the same.

Since an improperly managed team can result in numerous problems, an effective manager needs to apply a contingency framework to determine whether to use a team approach. It is wise to analyse the nature of the task, the qualifications and desires of the participants, and the time and cost constraints. Many managers have found managing teams to be a whole new set of challenges after years of one-on-one supervision.

6.14 TEAM BUILDING

Team members must work together to be effective, likewise, co-operation is needed among all the teams that make up the whole organization. Higher level managers need to integrate all these groups into one collaboration group. To do this, managers often rely heavily on team building for both individual teams and large groups. Team building encourages team members to examine how they work together, identify their weaknesses, and develop more effective ways of co-operating. The goal is to make the team more effective. High-performance teams accomplish their tasks, learn how to solve problems and enjoy satisfying interpersonal relationships.

The Process

The team building process follows the pattern:

A unique form of team building involves one of several varieties of “wilderness experiences”. In these courses, managers participate in week long adventures such as trekking, rafting and outdoor obstacle courses. The physical challenge to survive is substantial and many participants believe the experience prepares them for psychological survival in the corporate world. Creativity and risk taking are encouraged, as are communication skills. Trust is essential, and groups recognise the importance of problem-solving skills. Team members learn to balance one another’s strength and weaknesses, and strong bonds of caring often emerge among members. A range of organizations from small to large have used wilderness experience satisfactory results.

Skills useful in Team Building

The facilitators who assist the development of effective teams need to apply a broad range of skills, including consultation skills (diagnosing, contracting, designing change), interpersonal skills (trust building, coaching and listening), research skills (planning and conducting a study and evaluating results) and presentational skills (public speaking and report preparation). Two additional and closely related skills stand out as critical to success process, consultation and feedback. These are skills that both team leaders and team members need.

Process Consultation

In contrast to the roles of experts (who share sophisticated technical information and problem solvers (who define problems and suggest solutions), team building calls for yet another role that of process consultant. Process consultation is a set of activities that help others focus on what is currently happening around them. In effect, the process consultant holds up a “mirror” to team members and helps them see themselves in action. The intent of process consultation is straightforward; to help team members perceive, understand and react constructively to current behavioural events. Process consultants or team facilitators encourage employees to examine the intended versus their actual roles within the team, the ways in which the team discusses and solves problems, the use and abuse of power and authority and the explicit and implicit communication patterns.

Process consultants are helpers, drawing upon several key facilitating behaviours. They observe team meetings, recording conversational patterns and non-verbal behaviours. They ask probing questions designed to help others identify problems. They resist “owning” the team’s problems, “taking them off the hook”, or giving expert advice. If necessary, they confront individuals by asking them to examine their behaviour and its consequences or to explore new alternatives. All the while, the process consultant is attempting to help other people learn to help themselves. In other words, the goal is to create independence in team members so that they can more effectively think and act for themselves. It can be shown as follows how process consultants use facilitating behaviours:

Feedback

Members need feedback so that they have useful data on which to base decisions. Feedback encourages them to understand how they are seen by others within their team and to take self—correcting action. Following is of example, of a feedback exercise in one team building programme. Participants are separated into two groups representing two different view points that exists in the team. Both groups are asked to develop answers to the following questions:

- i. What characteristics best describe our group?
- ii. What characteristics best describe the other group?
- iii. How will the other group describe us?

After the separate groups have prepared their answers, they assemble and present their answers to the other group. They give concrete feedback about impressions each group has of the other, and major misunderstandings are often uncovered. In this presentation, no arguments are allowed. Questions 7 are accepted only to clarify what the other group is saying.

The groups again are separated to discuss two other questions:

- i. How did these misunderstandings occur?
- ii. What can we do to correct them?

Any team can use process consultation and feedback for its self-development. The need for continuous improvement is a cornerstone of total quality management programs, and a focus on teams will be a structural element of many organizations as they move into the 21st century.

6.15 TYPES OF TEAMS

Problem solving teams are from selection of about 6- 10 employees from the department in which the problem exists. These employees meet few hours each week and discuss ways and means to improve quality, efficiency and or the work environment. These members do not get authority for implementation.

Self-managed teams consist of about a dozen employees who take the responsibility from their former supervisor. They usually handle problems pertaining to planning and scheduling, assignments of tasks to members, making operating decisions, controlling the pace of work as well as taking action on the concern problems. The members select their colleagues themselves.

The cross functional teams are formed from about the same hierarchical level, but from different work areas, who come together to accomplish a given task. These teams are an effective means for allowing people from diverse areas within an organization or even between organizations to exchange information, develop new ideas to solve different problems and co-ordinated complex project jobs. Such teams take time to build trust and teams work because of the heterogeneity of team members with respect to their experience, background, knowledge as well as perspectives.

Virtual teams use computer technology to tie together physically disperse members in order to achieve a common goal. They are capable of doing all the work of all other teams also. There are 3 main factors differentiating virtual teams from the other teams, namely:

- i. the absence of verbal or non-verbal cues
- ii. limited social context and
- iii. ability to overcome constrains of time and space.

The first two types of teams are at times informal in nature and the later are formal in nature.

Creating effective teams does need immense efforts. The key components making up the effective teams are work design. teams composition, resources and intellectual influences and process variables.

6.16 SELF-MANAGING TEAMS

One of the empowerment tools — self-managing time-share are also known as self-reliant or self-directed teams. They are natural work groups that are given substantial autonomy and in return are asked to control their own behaviour and produce significant results. The combination of empowerment and training to plan, direct, monitor and control their own activities, distinguishes these teams from many others. They have wide-ranging autonomy and freedom, coupled with the capability to act like managers.

What is a self-managing team like? Typically, team members learn a wide range of relevant skills, this practice is called multi-skilling. As a result, members can flexibly float from area to area and task to task, depending on where they are needed most. They make joint decisions about work schedules, resource requirements and assignment of tasks.

Considerable time is spent in team meetings as members progressively take over many tasks that were formerly their manager's. Self-managing teams may begin by assuming responsibility for simple matters such as housekeeping issues and safety training. Later, they may begin to manage their own absenteeism, set overtime and vacation schedules, select and appraise team members, train co-workers and engage in direct contact with key customers. As they gain additional experience, these teams may even move beyond operational topics to redefine their organization's mission statement, carve out a new compensation system or provide input into expansion plans. Organizations using self-managing teams report several **advantages**:

- i. Improved flexibility of staff.
- ii. More efficient operations through the reduced number of job classifications.
- iii. Lower absenteeism and labour turnover rates.
- iv. Higher levels of organizational commitment and job satisfaction.

The disadvantages of this approach include:

- i. The extended time to implement them (often take several years).
- ii. The high training investment.
- iii. Early inefficiencies due to job rotation.
- iv. The inability of some employees to adapt to a team structure.

Self-managing teams are a powerful example of the application of OB knowledge about teamwork and successful participative methods. As a result, they are likely to increase in organizational use for several reasons. As a formal practice, they are not likely to lose organizational support, they often directly involve 100% of the workforce; they wield substantial authority in many cases and they are on-going structures (not devoted to just a single issue). However, firms have found that, it may take several years for the teams to achieve their full potential. Cultural values emphasizing individualism can get in the way, rigid job classifications protected by labour contracts can be impediments and managers themselves can feel threatened by the loss of control and personal job security.

Check your Progress – 6.16

1) What are the ingredients of an effective Team?

.....

2) What is a self-managing Team?

.....

3) What are the various Types of Teams?

.....

6.17 SUMMARY

A group is a collection of individual's who have come together to serve a purpose. These groups are of different type's i.e. formal groups and informal Groups.

For a variety of reasons, people join groups. People need security affiliation, power and identity, and they look to groups to satisfy the needs. Groups are also useful to organization for variety of reasons. Groups facilitate task accomplishment and determine individual behaviour.

Teams comprise small number of people possessing complementary skills and committed to common purposes. Work Teams, problem solving teams, virtual teams and management teams are various manifestations of team.

For formations, a teams passes through distinct stages: Forming, storming, norming, performing and adjourning. Also these teams are very useful in achieving organizational objectives.

6.18 CHECK YOUR PROGRESS – ANSWERS

6.3

- i Two or more individuals, interacting and interdependent, who come together to achieve particular objectives.
- ii Norms

6.9

- 1) A. Nominal group Technique
B. Delphi Technique
- 2) A. Group Think
B. Risky shift phenomenon
- 3) Time spent together, severity of Initiation, group size, external threads, previous successes.



6.16

- 1) Supportive environment, skills and role clarity, super ordinate goals, teams rewards.
- 2) They are the natural work groups that are given substantial autonomy and in return are asked to control their own behaviour and produce results.
- 3) Problem solving team, self managed team, cross functional team virtual team.

6.19 QUESTIONS FOR SELF - STUDY

- 1) What is group? Explain the aspect of group behaviour in an organization.
- 2) Review the typical stages in a team's life cycle.
- 3) What are the ingredients required to make an effective team?
- 4) Explain group cohesiveness. Describe cohesiveness.

6.20 SUGGESTED READINGS

Organizational Behavior – by Stephen Robins – Prentice Hall Publications

Organizational Behavior – by K. Ashwathappa – Himalaya Publishing

Organizational Behavior – by L. M. Prasad – Sultan Chand Publications

Organizational Behavior – by Suja Nair – Sultan Chand Publications



Chapter 7

Organization Structure and Design

7.0	Objectives
7.1	Introduction
7.2	Organization Structure
7.3	Organization Environment
7.4	Environmental Sectors
7.5	Characteristics of the Environment
7.6	Organization as Systems
7.7	Generic types of Organizations
7.8	Formal Organizations : Design and Structure
7.9	Division Labor and Task Interdependence
7.10	Work Specialization
7.11	Departmental Choices
7.12	Organizational Design
7.13	Product & Functional Organizations
7.14	Matrix Organization
7.15	Project Organization
7.16	Distribution of Authority
7.17	Summary
7.18	Check your Progress – Answers
7.19	Questions for Self - Study
7.20	Suggested Readings

7.0 OBJECTIVES

After studying this chapter you should be able to:

- ❖ Identify the key elements that define an organization's structure.
- ❖ Contest mechanistic and organic structural models.
- ❖ Describe different types of organization structure.
- ❖ Explain the generic types of organizations.

7.1 INTRODUCTION

An organization is a group of people, working towards objectives, which develops and maintains relatively stable and predictable behaviour patterns, even though the individual in the organization may change. Usually we describe organizations in terms of how they differ on three dimensions complexity, formalization and centralization. These three factors vary across organizations, and it is these 'important differences', which contribute to the patterns of behaviour observed in organization.

Complexity refers to the breadth of different activities, functions jobs and number of levels, which exist in organizations. There are more co-ordination and control problems in more complex organization because there are more task activities to perform and there are alternative ways to design relationships. Complexity is greater in larger organizations.

Formalization refers to the existence of policies, procedures and rules, which constrain the choices of members. In a lightly formalized organization, member's discretion and freedom of action are limited by the boundaries defined by these organizational devices. In less formalized organizations, there is more freedom of action and choice. The term centralization refers to the distribution of power and authority. Power and authority are maintained by those in higher organization positions in centralized organization.

In decentralized organizations, decision, rights and responsibility are delegated to those at lower organization levels. The partnership of complexity, formalization and

centralization is reflected in two factors: the organization structure and the organization culture.

7.2 ORGANIZATION STRUCTURE

It refers to the relationship among the tasks performed by the member of the organization which are -

- i. **Division of labor.** To achieve organizational goals it is necessary to identify the work which is necessary to achieve the desired objective. The work so identified has to be divided and sub-divided so that, the sub-divided components can be entrusted to the person for which he has special components for performing the task. By doing so, the organization brings in the principles of specialization and motivation, the elements of efficiency by eliminating wastages involved in duplicating and overlapping of efforts and finally the principle of control, by holding the individual responsible for lapses on his part.
- ii. **Identifying the sources of authority:** Every individual has to act as a cog in the wheels of organization. The effort of each individual has to bend towards the common objective of the organization. Apart from the authority responsibility structure of a formal organization, the power or authority arises from instinct to consent of the governed, superior physical strength, intelligence or some other influence.
- iii. **Relationship:** In every organization structure, types of relationships present a unified whole for achieving the common goal of the organization. Such relationships may be administrative or operating vertical, horizontal or diagonal, formal or informal. In this process, some may be working at par with another, others may either be above them or below them. Persons working at the same level are expected to possess the same quantum of authority, persons above them are expected to wield greater authority, where as persons operating below them are expected to enjoy lower authority. It is this hierarchical relationship, which binds persons operating at different levels, to continue their efforts to achieve common goals of the organization.
- iv. **Co-ordination:** Without co-ordination, an organization's goal cannot be achieved. It is the direction function, which has to be performed by the executive entrusted with this vital function. He has to co-ordinate the efforts put in by individuals and groups in such a manner that, organizations goal is achieved with maximum efficiency by eliminating wastages, but ensuring simultaneously, ego satisfaction of each individual as far as possible. Organization structure influences behavioural stability. The most obvious differences in behaviour patterns are apparent between organizations that are not in same or similar fields

7.3 ORGANIZATION ENVIRONMENT

The environment is a source of resources in the form of new materials, financial resources, human resources and information. These are imported into the organization, which then transforms them into products or services through different sorts of processes. These are then exchanged with other segments of the firms environment usually for revenues which are then used to maintain the organization system. The relevant environment of an organization is made up of group or institutions that provide immediate inputs, exert significant pressure on the way decisions are made in the organization, or make use of the organization output. At any one time, some external organizations are closer and have a more significant effect on what goes on in a firm than do others for eg: customers and suppliers are always interacting with a business organization. They constitute its most relevant environment. A sudden shift in the level of consumer demand may force internal organization changes, as when a slump in sales causes a firm to lay off workers. Circumstances might develop that could change the relevant environment. When this causes sufficient pressure, the organization must adopt to it. When equal opportunity laws were passed, many firms had to change their hiring procedure as well as the criteria

used for promotion. The relevant external environment of an organization includes at least

- i. Markets
- ii. Suppliers
- iii. Unions
- iv. Competitors
- v. Public pressure groups
- vi. Government agencies
- vii. Investors
- viii. Technology and science

An organization's environment may range from being relatively simple to being very complex. It is simple when it contains a small number of relatively homogeneous sector e.g.: the market environment for a small firm which manufactures personal computers is relatively simple, though it might be very competitive. The environment is complex when it is composed of many heterogeneous sectors, such as would be the case for an engineering firm which specializes in the installation of manufacturing plants of different type in different countries.

7.4 ENVIRONMENTAL SECTORS

We focus only on the market environment and the technological environment, two sectors which are very important to understanding the problems and managing most business organizations.

First, these two sector are of traditional importance in the management of economic organizations. Customers in markets exchange their money for the firm's products and services and the firm must use the available technology to produce these outputs. Second, these two sectors are the primary focus of most theory and research.

The market environment is the particular set of individuals, groups or institutions which make use of the organizations outputs. These outputs are values such as commodities, products or services, for which the market provide, some sort of exchange in return. For business organization this means products such as autos, computers, steel, television sets, or the ideas and services which might be provided by advertising agencies, consulting firms or travel agencies.

The technological environment has 2 components. The first is the techniques and the processes that the organization may use to produce the product or service. In this sense, technology refers to available methods and hardware. From the existing technology, some will be selected for use in the organization. What technology is used and how it is organized defines the form of production sub-system. The production system of an organization cannot be any more advanced than the technology available, although it is possible that a firm does not use all available technology.

For Example:

Customer credit account in a large department store might be handled by computers, while the same function in a small specialty store might be performed manually.

Technology also refers to the ideas or knowledge underlying the production or the distribution of the product or service, that is, the way science is translated into useful applications.

7.5 CHARACTERISTICS OF THE ENVIRONMENT

The degree of change in the environment has major implication for the internal structure of the organization, the type of individual who is likely to join it and the perceptions, attitudes and values of those in the organization. The most important effect of the environment is whether or not the organization structure takes on highly routine or non-routine characteristic.

- i. **Stability:** In the stable environment, changes are relatively small, occurring in small increments with a small impact on the structure, processes and output of the organization. Environment changes are more likely to affect size dimensions (E.g.: the amount of beer or insurance sold) rather than the kind of product. The number of employees in the organization may change but the product and the way the product is made are unlikely to change significantly. If there is extensive investment in plant equipment and distribution methods, the methods of adaptation can be short term. This usually consist of reducing or increasing the work force rather than making changes in the product or the method of production large. Commercial bakeries use a fairly high system of production, but the final product is still the bread. Changes in technology may come rather slowly, but steadily. If there is a drop in demand then the organization will probably not seek new products but lay off workers.

In a stable environment, it is possible to make fairly accurate market predictions based on some relatively common indexes. For instance, the level of automobile sales may be predicted reasonably well if there are generally accurate data available about changes in population and income.

- ii. **Volatility :** The volatile environment is likely to be turbulent, with more intense change, than in the stable environment. Changes are also more rapid and customer may change, and the level of demand may vary widely. The women's high fashion market is an example. Product decisions of designers and manufactures are based on predictions of customer tastes and preferences and these are highly changeable. When the technology is volatile, new concepts and ideas are being rapidly generated and these new ideas affect either the way the production processes are carried out or the nature of the processes themselves. The electronic industry with break through in integrated circuits, transistors and general miniaturization illustrates that technology changes could affect the nature of a product as well as marketing strategies.

Such technological changes were instrumental in the recent problem of IBM. For many years, the mainstay of IBM's business was large mainframe computers. But over the years, the computing capacity of microchips increased, while costs of computing dropped as the price of a unit of processing power dropped. This led to more powerful personal computers and to price wars among personal computer manufactures. With the development of networking, it was possible to link together these more powerful personal computers which sharply reduced the demand for mainframes. These developments increased the importance of software, a market which IBM had chosen not to develop.

7.6 ORGANIZATIONS AS SYSTEMS

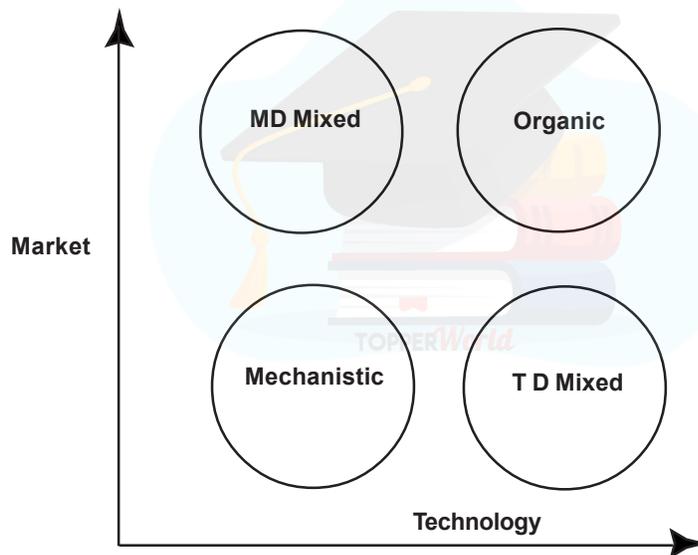
The accommodation to the external environment is accomplished by the activities of different organization sub-systems. Organization sub-systems are functionally related activities, not organization departments. The main sub-system functions are to absorb inputs, transform them into outputs, transfer them to users and co-ordinate all of these activities. The organization sub-systems are

- i. **Production sub-systems:** It is the technical core of the organization creating the product, service or ideas that are consumed by the market. In a business firm, the production system is the task oriented work that creates the product or service E.g.: an assembly line or tellers in a bank. In hospitals, the care facilities, operating rooms and emergency services are different parts of the production sub-system.
- ii. **Boundary spanning sub-systems:** It carries on transaction with the environment by processing the input, disposing of the output, or assisting in these functions. The activities themselves are performed within the organization; they connect it with external points of contact. Selling, purchasing, recruiting and acquiring capital resources are example of boundary spanning activities.

- iii. **Adaptive subsystems:** When the environment changes, the organization must change. Adaptive sub-systems are those organization activities that monitor, or sense, the nature of the world in which the organization operates. Research and development is one kind of adaptive sub-system activities, as is lobbying to influence government policy that might affect the organization.
- iv. **Maintenance sub-systems:** They smooth out the problems of operating the other subsystems and serve to monitor their internal operation. One important function is to maintain high enough levels of motivation so that members continue to contribute. This is done by activities such as socialization, rewarding and punishing, training and performance appraisal systems functions. Setting standards for work, raw material and product or service quality are also maintenance.
- v. **Managerial sub-systems:** They are the organized activities for controlling, coordinating and directing the many subsystems of the structure. They represent another slice of the organizational pattern and deal with coordination of sub-systems and adjustment of the total system to its environment. The managerial sub-systems activities focus on general policy and strategy to interact with the environment with the intent of ensuring long term survival. The resolution of internal conflict between departments is also one of its functions, as is the use of the authority structure to disseminate directives.

7.7 GENERIC TYPES OF ORGANIZATIONS

The dynamics of the environment and organization sub-systems can be integrated into the organization environment model



Above model contains four generic types of organizations. On one axis is the technological dimension -the environment; the other axis is the market dimension. Both dimensions are characterized by levels of uncertainty, stability and volatility at the extremes. We have described four generic types of organizations which fall near the ends of both, though it would be possible to describe organization that would fall elsewhere. These are called generic organizations because they are sub-system partners and they are underlying models for understanding organizations of various types. Each sub-system has a different type of interaction with the environment depending on its proximity to the organization boundary and the degree of environmental volatility. When it is stable, the subsystem will take on routine characteristics. When it is volatile the sub-system will have to be more flexible. This should have an effect on the nature or the internal relationship among the sub-systems and the demand placed on organization members. These effects will depend upon, whether or not, the market or technology environments are stable or volatile. The different patterns of subsystem relationships in the generic organization types are summarized in the following table -

Organization subsystem	Mechanistic	Type of Organization Organic	TD-Mixed	MD-Mixed
Environmental characteristics	<ul style="list-style-type: none"> Stable technology Stable market 	<ul style="list-style-type: none"> Volatile technology Volatile market 	<ul style="list-style-type: none"> Volatile technology Stable market 	<ul style="list-style-type: none"> Stable technology Volatile market
Production	<ul style="list-style-type: none"> Repetitive market High division of labour Low skill level Jobs well defined 	<ul style="list-style-type: none"> Non-routine work Intensive technology Jobs loosely defined 	<ul style="list-style-type: none"> Intensive and mediating technologies Highly skilled staff 	<ul style="list-style-type: none"> Long-linked and or repetitive technology
Boundary-spanning	<ul style="list-style-type: none"> Fixed distribution Channels Well-defined 	<ul style="list-style-type: none"> Varied systems for distribution Requires highly adaptive skills 	<ul style="list-style-type: none"> Fixed marketing channels High prices 	<ul style="list-style-type: none"> Distribution channels influenced by "style"
External monitoring	<ul style="list-style-type: none"> Simple system Good information base Very important 	<ul style="list-style-type: none"> Clinical skills required to judge changes technological function 	<ul style="list-style-type: none"> Extensive RPO Clinical skills required for environment Simple monitoring of market R&D 	<ul style="list-style-type: none"> Clinical skills required in marketing areas Little R and D Marketing most influential
Control	<ul style="list-style-type: none"> Standard budgeting Historical cost and standards Possible inversion of ends and means 	<ul style="list-style-type: none"> Evaluation based on projection best way Minimal use of historical data 	<ul style="list-style-type: none"> Standard historical costs and standard in marketing function More subjective evaluation in technical areas 	<ul style="list-style-type: none"> Subjective evaluation in marketing areas Standard cost in technical and production areas
Managerial	<ul style="list-style-type: none"> Centralized decision making Rigid hierarchy Standard budgeting Conflict between higher and lower levels 	<ul style="list-style-type: none"> Decentralized decision making Flexible structure and work assignments Conflict between professionals 	<ul style="list-style-type: none"> Decentralized control in technical functions Hierarchical control in marketing Interface management problems 	<ul style="list-style-type: none"> Decentralised control in marketing function Centralized control on other areas Interface management problems

7.7.1 The Mechanistic Organization-(MO)

The MO will exist whenever the market and the technology are stable and predictable, largely because it is efficient and efficiency is required for survival.

In production sub-systems, tasks are likely to be highly repetitive with extreme decisions of labor. The work activities can be standard, narrow, relatively small and simple.

The two major boundary spanning activities are marketing and procurement. Marketing activities will be well defined and standardized because the market is relatively unchanging. This type of organization will have a great deal of influence over the distribution system. The procurement function will draw inputs from well developed and well defined sources. In large industries, such as the auto industry firms have captive suppliers they can influence the suppliers. They can influence the suppliers price and production techniques to such an extent that the supplier may well be considered as a subsidiary.

Adaptive sub-system in a stable environment will be relatively simple. There will be set rules for interpreting changes in the environment, because from experience the

organization will learn what parts of the environment it should monitor and how to adapt to them. It will have a fairly good information base to be used in making decisions. Usually it is possible to develop a fairly systematic procedure which can be implemented when the environment changes. Since technological changes are relatively minimal, engineering and research and development activities focus on application rather than on advancing the state of the art. Maintenance sub-systems will be fairly stable. Historically developed information that has achieved organizational acceptance and legitimacy will be used for control purpose. The focus will be on measuring performance outcomes. Because of the availability of much cost and other performance information, the tendency is to rely on "hard criteria". This type of information is usually centralized and controlled in MO. Since information is centralized in maintenance sub-system, those who work in these sub-systems have a great deal of organization influence.

Managerial sub-systems will have highly centralized managerial control located at the top of the organization. Information can be quickly collected and transmitted to the higher levels so that decisions can be made about operations at lower level without requiring a great deal of involvement of managers at higher levels. There will be close control and monitoring of operations centralized at higher levels and lower level. Discretion is likely to be relatively low.

7.7.2 The Organic Organization - (OO)

The OO is found in volatile market and technological sectors. In it, the structure relationships and jobs are more loosely define to facilitate the process of adapting to the changing environment.

The production sub-system is composed primarily of general purpose technology. In essence, it is job-shop-oriented intensive technology, so that the various production elements can be re-arranged as the market or technology changes.

Boundary spanning sub-systems which get the product or service to customers will vary from customer to customer. Channels of distribution will be unstructured and will change from time to time. Those involved with the procurement function must constantly seek and find different types of raw material and resources, because both the level and the type of raw material inputs will change from time to time.

Adaptive subsystems will be different from those in the mechanistic organization form. For the organization, the time of information that might trigger internal changes will be highly variable. Thus Individual skill is essential to assess the environment and knowhow to change the organization since it is practically impossible to specify in advance what aspect of the environment must be monitored. Maintenance sub-systems will be based on cost standard since evaluation of performance will be based on forecast estimates, not historical data. This means that performance control and evolution will be more "subjective" and not so much based on "objective" performance measures. Performance indicators will have a greater focus on the manner in which individuals go about performing their work. The managerial subsystem will be less structured than in other forms of organizations. Few policy guidelines will be used in decision making process because the variability of the environment will preclude well- defined, set policies overtime. Individuals may be moved from project to project as the need for their skills arises with a different authority structure for each one. They may work for more than one manager, depending on what needs to be done. Teams will be created to work on particular project. When project is completed, team members may move to different teams. This can cause problems unless the individual has a high tolerance for ambiguity and role conflict.

OO are likely to be relatively small compared with mechanistic forms. This small size facilitates adaptability to the environment. As an organization grows however it will begin to develop some degree of procedural rigidity and hierarchy which may make adapting to environmental changes difficult.

7.7.3 Technology Dominated Mixed Organization (TDM)

This generic type is called a TDM organization because the major policy and strategy influence lies in the technological units. The major threat to survival and effectiveness stems from uncertainty in the technological environment. The market environment of the

organization is relatively stable. Therefore, it is important mainly to monitor the technological environment carefully and make change in the organization system when necessary. The TDM organization will have market related units with mechanistic characteristic and technology related units will be more loosely structured. The production sub-system in a TDM organization will likely use general purpose processes to increase the productive life expectancy of equipment. Personnel who work in the production sub-system are likely to be more skilled than those who work in production sub-systems in mechanistic organizations. Product distribution in boundary systems will be fairly stable. Products may change technologically but they will be distributed as they had been before any new product developments. Adaptive sub-systems which monitor the technological environment will differ from those which have seen the market. Research and development will place more emphasis on advanced knowledge development than on pragmatic engineering issues. The market research activities will be fairly simple. They will probably focus on exiting or easily collectible data and fairly widely accepted indicators to aid in decision making.

The maintenance sub-system face a difficult problem of developing controls for major organizational units which have very different structural characteristics. The marketing segments of organization will have a more constrained, bureaucratic structure because of the stable market, while those units interacting with the technological environment will have a more organic structure. This can lead to tension between the units, as well as organizational conflict.

Managerial sub-systems will likewise be different. The authority structure of a TDM organization will be different in the major organization units. In the marketing sector, we would expect to find fairly well defined job responsibilities, accountability to specific supervisors for work and limited discretion for decisions. On the other hand those in the technological functions will have more freedom of action. The production sub-system is likely to be caught in the middle, between pressures from research and engineering to adopt newer production methods and the marketing units desire to maintain the product relatively as is.

7.7.4 Market dominated mixed organization (MDM)

In **MDM** organization, major strategies and policy influence will be from the marketing unit because of the need to stay in close touch with a constantly changing consumer or client group. Production sub-systems in MDM organizations will probably be programmed production tasks with low skill requirements. The performance of the production system will be measured by relatively objective cost measures. Adaptive activities require little scientific research or development in the MDM organization because of the relatively placid technological external environment. Much effort will be expended in marketing research. Experience, intuition and judgment will be more useful in determining markets than standard information such as population data, income estimates or traditional buying patterns. Boundary spanning distribution systems will be simple. In general, product changes of an MDM firm will be style or design changes rather than changes in the product's function. Therefore, the acquisition of inputs will only be a significant problem when they may directly change the character of the output or if the market requires a product with different raw material requirements. Maintenance sub-systems will be affected by the difference in types of environments. The flexible and varied nature of the marketing and distribution system will make collection of historical and relevant cost data difficult since, distribution patterns and systems may be changing. This will lead to organization performance measurement problems. Managerial sub-systems will have a hierarchical authority structure in the technical parts of the market dominated firm. A looser authority structure will exist in the marketing and distribution sector which will have more individual discretion and freedom in decision making. Control systems to monitor changes and adapt to the environment will be developed in such a way as to be triggered by decisions made in the marketing sector. It is highly likely that the head of this type of mixed organization will be someone with a marketing or sales back-ground and the tone of the firm will be set by those in marketing, since they are the ones with the knowledge and skill to deal with the volatile environment.

As in a technological dominated firm, there will be problems in co-ordinating the organic and mechanistic segments of the organization. The well defined structure of the technical sector may not only pose adjustment problems for the professionals who work in it, but also may present difficulties when it is interrelated to the more organic organization structure in the marketing sector

Check your Progress – 7.7

Fill in the blanks:

- 1) Adefines how job task are formally divided, grouped and co-ordinated.
- 2) Ais a purposeful system with several sub-systems whose people work together in a co-ordinate.
- 3) Theorganization exists whenever the market and the technology are stable and predictable.
 - a) Mechanistic
 - b) Mixed
 - 3) Organic

7.8 FORMAL ORGANIZATIONS: DESIGN AND STRUCTURE

An organizational structure defines the way the job tasks are divided grouped and co-ordinated. Whatever we have to design the organizations structures, we must look into the following important elements namely work specialization, departmentalization, line of command, span of control, centralization, decentralization and formulation. These elements can be briefly described as below:

i. Work specialization

Work specialization is usually recognized as division of labor that is description of the degree to which tasks in the organization are sub-divided into different jobs. The essence of work specialization is the breakdown of the entire job into a number of steps each of which is to be completed by a separate individual, unlike the entire job being executed by only one individual. This means the individuals specialize in the part of the activity rather than the entire activity. In fact, the pioneer to this work specialization is Henry Ford in the earlier 20th century, who demonstrated that work could be performed more efficiently if employees are allowed to specialize. Subsequently by late 1940 this was practices in most of the industries. This resulted into some jobs being highly specialized requiring employees skills and some jobs unskilled which can be performed by even untrained workers. This resulted into high efficiency and good product quality and introduction of high payment for skilled workers.

ii. Departmentalization

After the jobs are divided through work specialization they can be grouped together so that common tasks are co-ordinated. The basis of job grouping is called departmentalization. The most common way for grouping the activities is by the functions they perform. Functional departmentalization definitely helps achieving the economics of scale by placing people with common skills and orientation into common units, *for example*: the plant can be organized by separating accounting, engineering, personnel, material, technical and manufacturing specialist into common departments. Task can also be departmentalized according to type of product the organization manufactures, *for example*: different products manufactured by an organization can be placed under the authority who has the total responsibility for that product. This type actually increases the accountability for product performances since all activities related to a specific product are under the direction of a single authority, *for example*: a public sector undertaking manufacturing life saving drugs can appoint separate authority responsible for running their products in global market, the product being penicillin, streptomycin, ampicillin, gentamicin as well as formulated products. Off late, services have entered in a big way in the industrial setup. In such case also each service can be autonomously grouped the third way for departmentalization is on the basis of territory/ geography. Sales or marketing function is one such illustration or various small factories at different

territories enterprise also fall in such categories, *for example*: a consumer manufacturing company may have factories of the same product at different geographic location in a country or in the global territory. Recently, departmentalization has been used for particular type of customer. This is very much true in large corporations like Microsoft, where software developers form a homogenous group. A good organization may use all the forms of departmentalization, particularly when it is a major global player.

iii. Line of command

The line of command means unbroken line of authority, which extends from the top of the organization to the bottom of the organization and clarifies as to who should report to whom. This line of command includes two important concepts, namely authority and unity of command. Authority means the right vested with the managerial position to issue orders and expect the same to be obeyed. Hence, each manager is given a place in the chain of command with a degree of authority so as to meet his responsibility. The principle of unity of command helps to preserve the concept of an unbroken line of authority. In other words a person should have only one supervisor to whom he can be responsible. In today's global competition the hierarchy is giving away rapidly and the structure is becoming more horizontal and therefore this line of command assumes less relevance. One more reason for this is also the simultaneous empowerment to make decision for operating personal unlike in the past.

iv. Span of control

This means how many employees can a manager direct with efficiency and effectiveness. This is to streamline the number of levels in hierarchy. A large or wider span results in the efficiency of the organization. But the wideness also has limitation beyond which effectiveness and efficacy reduces, since the supervisors do not have time to provide necessary guidance, support, leadership, etc. By having a small span of control restricted to 5-6 employees, a close control can be extended by a manager, but this becomes a drawback as the levels of structure are added. Suddenly upward and downward communication becomes complex and unprecise and it results in discouraging employee autonomy. In the present environment, the emphasis is more on cost reduction. Apparently this is being achieved largely by introduction of voluntary retirement schemes. It will be interesting to watch how the organizational structure takes shape if factors other than VRS are also given weightage for cost reduction measure.

vi. Centralization

Apparently we understand that top management takes all decisions and the low management merely executes the same, but there are some organizations where the decision making is empowered down the level also. The former case is known as centralized organization and the later the decentralized one. Centralization means concentration of decision making at a single point in the organization. In centralized organizational structure, decision making process is fast. More information flows from other and the employees are free from any feeling of alienation from the decision makers. The Indian industry, was a centralized organization since the business was run by family members. In the beginning for the 21st century we observe a substantial change resulting into professionalism in the managers replacing centralized structure by a decentralized structure. This has given organization more flexibility and responsiveness.

vii. Formulation

This means the degree to which the jobs within the organization are standardized. Standardization minimises the amount of discretion over what is to be done, when it is to be done and how it is to be done. This is because the employee always knows to handle the same input in exactly the same manner resulting in a more consistence and uniform output product. Therefore, organizations having formulizations have explicit job description, clearly defined procedures in work processing as well as definite organizational rules.

Formal organization is a configuration of major sub-units usually called division or departments. Departments engage in a distinct, defined set of sub-system activities over which a manager has authority and responsibility for specific outcomes. The sub-systems lie under the surface of the formal departments.

Division and departments are created through two processes: structural differentiation and structural integration. Structural differentiation is the process of unbundling sub-system activities; separating a specific set of activities from others E.g.: the production sub-system activities of the university are the total set of teaching activities. They may be differentiated, unbundled in various ways to create colleges and departments. Structural differentiation may be accomplished in different ways. Sub-units may be organized on the basis of products (or services) the work performed (functions) projects, geographical location and by type of customer. Not all of this are good options for every organization. Some are more logical and more affective than other depending upon the environmental conditions and managerial preferences.

Structural integration is necessary when the differentiation has occurred because of the need to co-ordinate the activities of different departments. It is the process of linking the differentiated subunits back together through authority, responsibility and accountability relationship like the differentiation process there are choices about the type and degree of integration. It is possible to create very tight and well defined linkages or leave them more loosely connected. The set of decisions about how this is accomplished is usually called organization design. First, it calls for a process of creating the internal conditions which facilitate accommodation to the environment and the implementation of strategy by arranging the sub-system activities into organizational sub-units and hierarchies. These are strategic divisions about where to locate the organization investment and the tactics for operating in that environment.

The management must focus on the particular characteristics of that environment but not on the more broad context. It allows the firm to develop a narrow rather than a broad set of competencies. Second, decisions are then made which result in the organization structure. The first choice is about how the work will be differentiated, the division of labor. The second choice is how the work is then grouped into organizational sub-units. This is the selection of the form of departmentation. Then relationships between the sub-units are defined by the distribution of authority. The result of decisions about the form of organization and the distribution of authority create the hierarchical aspects of structures.

7.9 DIVISION OF LABOUR AND TASK INTERDEPENDENCE STRUCTURE RELATIONSHIP

The division of labor is the way that, work in organizations is subdivided and assigned to individuals as a job.

There are two different approaches to deciding how others will work and they have different implications for what a person does in a task and how it is managed- the scientific management approach and the job enrichment approach. The differences between these two orientations are that, in scientific management the philosophy to make jobs simple have few tasks assigned to a person, have the job supervised by someone other than the person doing it, give the worker little autonomy and limit the amount of responsibility for the tasks. Jobs with these characteristics have low motivating potential. In the job enrichment approach, jobs are more complex. They consist of many tasks. The person controls the work more than in scientific management and has higher autonomy and more responsibility. Jobs designed this way have more motivation potential.

7.10 WORK SPECIALIZATION

The division of labor leads to specialization, which means that a person performs only some specific part of the whole job. For example: In cabinets unlimited Mc Gathe may decide to hire a person whose only job is to sand and finish the cabinets prior to

painting. That is a form of specialization called task specialization organization or he may decide to hire another cabinetmaker who will perform all the cabinet manufacturing tasks. This type of specialization is called personnel specialization. The main difference between these two specializations is that, task specialization usually requires less knowledge and ability.

7.10.1 Task specialization

It occurs when job is broken down into smaller components or task elements. These activities are then grouped into jobs and generally assigned to different people. When task specialization is carried to extremes, the jobs will have the following characteristics

- i. **The work is more repetitive:** A person is doing only a small part of the complete task; so he or she is going to be doing it more times during the workday.
- ii. **The work cycle is shorter:** The work cycle is the time that elapses between the start of an activity and when it begins again.
- iii. **The need for direct supervision decreases:** Because tasks are more simple and repetitive, they are easier to learn and to do. Therefore, face to face supervision is not necessary in order to ensure that the job is done right. Generally, it is possible to tell if the work is done correctly by inspecting the output rather than through fine consuming task of direct personal supervision.
- iv. **Workers are less involved with their jobs:** High moral and motivation are specially difficult to maintain when the work is routine, repetitive or programmed

There is a greater evidence that a greater percentage of workers in jobs with these characteristics are less satisfied and more bored than workers in those settings where the work is less routine and less repetitive. Many individuals learn to accommodate to the routine work demands. Those who cannot adopt either leave organization or withdraw psychologically. Further, some employees in repetitive programmed jobs do not choose more complex jobs when given the opportunity to do so.

Task specialization may have some positive economic effects such as increased efficiency but some problems such as integrity, self realization raising problems of individual autonomy, displacement from the intrinsic value of work to its by product of income security, prestige and leisure have been associated with it.

In some cases, the work is so complex and advanced that a great deal of skill and training are necessary to perform it. When the individual, not the work, is specialized, it is called personal specialization which is typically associated with occupations such as law and medicine. Specialists are extremely important as they bring high level of skills that are critical to the success of the organization. Personal specialists usually invest a good deal of time, effort and training and money in acquiring their skill. It takes years and much effort to get through professional training such as medical school.

7.10.2 Task interdependence

Task interdependence exists when several different tasks required to complete a project, product, sub-assembly are performed by different people. When tasks are highly interdependent, a person cannot complete a job until the work of someone else is finished. There is a high level of task interdependence among workers in a can lid manufacturing plant. The manufacturing process starts with a large press that stamps out the sound shell from a large roll of aluminum. The lid travels on a conveyer to a machine that cuts the edge and attaches a sealing material to the lid, and then it moves to a machine that attaches an opening tab. From there it goes to a bagging machine. Lids are then bagged and sent to inventor. The high interdependence is illustrated in a comment of one worker who said "when one of these match the complete cabinet making task there would be pooled task interdependence which occurs when individuals in an organization work in more autonomous fashion. What one does is not entirely dependent on the others but

organization success or failure depends on the unique contribution of each member. Some professionals often have this form of interdependence relationship. Law firms and medical clinics, for example, are set up so that each lawyer or physician, works with a high degree of autonomy.

7.11 DEPARTMENTATION CHOICES

The next step in organization designs is to group the differentiated tasks into departments. There are several bases for making these grouping. For example, activities may be grouped based on whether they-

- i. are related to the same product
- ii. have similar skill requirements
- iii. serve particular customer or clients
- iv. are performed in a particular geographic area

i. Simple structure

The simple structure has a low degree of departmentalization, wide spans of control, centralized authority in one person and having practically no formalization. This is a structure known as flat organizational structure. This is associated with small business organizations and its strength is in its simplicity and its flexible fast and inexpensive maintenance of accountability. The major defect in such structure is when it expands and over loads the top resulting in decision making slower and inadequate. This is clearly a comparison with a tent with a single supporting pole. Imagine what happens when the pole cracks or damages or falls suddenly.

ii. The bureaucracy

It is defined by a highly routine operating tasks achieved through specialization, very large number of rules and regulations, task grouped in functional departments with narrow span of control, centralized authority with decision making following the chain of command. The strength of the bureaucracy is in the ability to perform standardized activities in efficient manner. The economy is achieved by getting together specialities in functional departments, minimizing duplication of personnel and equipment. This structure can be handled by less able and talented hence at a lesser cost and be managed at a lower category. This curtails the innovative and experienced decision makers at executives. A nation government is a good illustration of bureaucracy the major witness of which are experienced by all of us. This results in lowering the efficiency of performance and resulting into delays in decision-making.

iii. The matrix structure

This is a new option in the organizational structure and we find this commonly in service industry like advertising, education, hospital, construction, research and development and management consulting firms. By and large the Matrix combines the two forms of departmentalization: functional and productive. It has a dual line of authority as indicated above. The strength of functional departmentalization is in putting like specialist together, minimizing the number actually necessary; on the other hand allowing the putting and sharing the specialized resources across the products. The major disadvantages lies in the difficulty of co-ordinating the task of diverse functional specialist counting on time and money spent on it. On the other hand, product departmentalization works exactly in opposite. It provides responsibility of all activities related to a product. One great disadvantage is that, it breaks the concept of unity of command. An employee's two bosses, the functional departmental manager, product manager, resulting in dual line of command. Ultimately, the struggle for power is the real disadvantage in this structure.

Therefore, this old concept of three types of structures is being over powered by new designed options. Namely;

- i. The team structure,
- ii. The virtual organization and
- iii. The boundaryless organization.

i. The team structure

We have seen that, teams are very popular as a means of organizing work activities. When teams are used as a central co-ordination element or device it results in a horizontal organization which is known as “team structure”. The team structure breaks down departmental barriers, decentralized decision making.

In small companies, the teams structures defines the entire organization. In large organizations it compliments the bureaucracy that means it allows the organization to achieve the efficacy of bureaucracy and simultaneously gaining the flexibility that the team provides.

ii. The virtual organization

A small core organization which outsources its major business functions is the essence of virtual organization. This is also known as network or modular organization. This also is a highly centralized organization having no departmentalization. The prototype of such a virtual structure is today’s Hollywood or the Bollywood and in the golden era of movie making. Prabhat film editors, designers, directors, etc. However, today film making follows virtual organization, deserting the old structure and replacing it by outsourcing of activities to different small organization. This minimizes overhead expenses and reduces the total maintenance expenses as well as lessens long-term risks. Large companies in UK, USA and now some Asian countries are today outsourcing their jobs to reduce the cost of their establishment to compete in the world market. To illustrate, research and development is done at one source, the owner, production is given on outsourcing, sales or marketing are also either done by the companies own employees or outsources. The major advantage of the virtual organization is its flexibility. It allows individuals having innovative ideas and little money to successfully compete against others. The major disadvantage however, is the reduction in the control over part of the business.

iii. Boundaryless organization

The boundaryless organization seeks to eliminate the line of command, has limitless spans of control and replace departments with empowered teams. This word was coined by former chairman of General Electric Company, namely Jack Welch. This is followed by many American multi-national companies such as AT&T, Hewlett Packard, Motorola, etc. but they have yet to achieve the totality of boundaryless organization. The present network computer system, which is a unique technological thread, that makes the boundaryless organization possible because communication across intra-organizational and inter-organizational boundaries is possible for people. This helps sharing information simultaneously, direct communication with senior. In fact the entire gamut of information technology may rapidly result in developing the boundary-less organization in the world.

7.12.1 Organizational design and employee behaviour

An organization structure does have significant effect on its employees. It is very difficult to generalize to link organizational structure to employee performance and satisfaction. *For example:* some employees are most productive and satisfied when work task are standardized - in mechanistic structures. Work specialization contributes to higher employee productivity but it is at the cost of reduced job satisfaction. But such statement does not surface individual differences and type of job tasks the employees do. On the other hand there are persons who prefer the routine and repetitiveness of

highly specialized jobs. Some employees want work that makes less intellectual demands and provides security. In fact it is difficult to support with full evidence any relationship between span of control and employee performance, through large span might lead to higher employee performance due to provision of more distant supervision and more opportunities to perform. The contrast of such evidence lies in the individual differences. Therefore, no particular conclusion can be summarily made.

By and large, there is a linking between job satisfaction and centralization. Participative decision making is positively related to job satisfaction but individual differences do surface. The decentralization-satisfaction relationship is strongest with low self-esteem employees, because of less confidence in their abilities.

In short, to maximize employee performance and satisfaction, one has to pay attention to individual differences such as personality, experience and the work tasks. In fact, the organizational structure gets affected due to the influence of the national culture also. One should keep in mind that people do not select employers at random, they are attracted to organizations that suite their personal characteristics. *For example: job* candidate preferring predictability are likely to seek out and take employment in mechanirist structure while those who want autonomy end up in an organic structure.

Today, we are in the world of uncertainty, competition, globalization and high technology inclusive of computer advancement and communication technology. Therefore, there is a possibility that the world may move towards electronically configured organic organization. Technology allows organizations to stay close to the customer to settle jobs where cost are lower and take decisions rapidly. It is because of this that individuals may prefer to stay in organizations where decision can be at the lower level of management. This type of quick decision-making at lower levels may result in increasing profitability. In India, however the technology revolution may not transform the organization structure at a fast rate, probably because decision-making may be quick, information exchange may also be precise and fast but the individual concepts and actions may not undergo competitive change. Even emphasis on speed thus has its own limits. The organization, be it bureaucratic or virtual, also has its own limitations. In India, the change is taking place in the organizational structure, but is at a slow rate.

7.12.2 Work design

Some of the options left with managers to redesign or change the makeup of employee jobs are:

- i. Job rotation
- ii. Job enlargement
- iii. Team based design

i. Job rotation

This means periodic shifting of a worker from one task to another to avoid frustration of the employees suffering from the routine work. This is also known as cross-training. Job rotation is practiced for increasing the flexibility and also some times avoiding lay-offs. The strength of the job rotation lies in reduction of employee boredom and increasing the motivation through diversified activities. This in turn benefits the organization particularly if the employee possesses wide range of skills. Since job rotation is followed by employee training, it may add to the organizations cost, but that may ultimately compensate by higher productivity.

ii. Job enlargement

This means horizontal expansion of jobs, that means to increase the number and the variety of tasks that an individual can perform. This leads to diversity in jobs. This however did not apply by and large to employees probably because of lack of diversity in the specialized jobs.

iii. Job enrichment

This refers to vertical expansion of jobs. This means increase in the degree to which the worker controls the planning, execution and evaluation of his work. In job enrichment the employee does a complete activity with freedom and independence

and bearing extra responsibility. This is bound to increase the employee's own performance. The benefits of the organization are in the form of reduced absenteeism and turnover cost with increased employee satisfaction.

iv. Team based design

Many organizations do have working in groups and teams. We are fully aware about individual based work design than that at the group level. Therefore, a group or team involvement can be thought of to contribute to both the employees and the organizations in certain ways or certain points mentioned here with:

- a. the group members to use very high level skills.
- b. the group tasks is meaningful with possible output vision,
- c. the output result is consequence oriented to other employees,
- d. it should generate a trusting feedback about its work performance and
- e. provision of sizable economy for individuals to work.

Check your Progress – 7.12

1) What are the key elements for designing an organizational structure?

.....

2) What is the basically common organizational design?

.....

3) What are the newly designed structure options?

.....

7.13 PRODUCT AND FUNCTIONAL ORGANIZATIONS

In mechanistic organization, the organization sub-systems will probably take either the product form or the functional form. In the functional organization the major departments are grouped around similar work functions and responsibilities, such as accounting, purchasing, production and personnel. These subunits are very similar to the organizations subsystem. Managers and workers are assigned to units that are responsible for similar tasks. Most of the staff in departments of functional organizations will have similar training and work experience. This results in units with high levels of specialization in the functional activity such as marketing. Because the work of each unit is so specialized, the functional form offers great opportunity for increasing operating efficiency, particularly of the production unit. Economics of scale can be more easily achieved because all the production activities are in one department.

The similarity of background should also lead to easier communication within the functional departments, because the individual will have a common frame of reference. E.g.: the "jargon" will be more easily understood by the department members. On the other hand, there may be communication problems between groups because of the differences in their orientation. Co-ordinating units is one of the main problem of the functional organization. For instance, the marketing division would like to have a ready supply of both brands on hand at all times to meet customer's demand. However, the manufacturing units may wish to produce only one brand at a time and have very long production runs to minimize production costs. Each department's interest is best served by different goals (either long production runs or high inventories). In product departmentation, departments are created around different products or services. Each division is responsible for manufacturing and selling its own product and each may be very autonomous. Within each product division, there is considerable functional

departmentation. The head of the division will have a production executive, a marketing executive, other executives in charge of functional units within the product division. It is unlikely that any of them will interact frequently with his or her counterpart departments. The product organization simplifies some problems but it creates other. E.g. it is easier to develop control system because production and selling costs can be allocated to the different products, which are almost completely the responsibility of a single unit. However, it is generally believed that costs are higher for a product organization because it does not offer the same economics of scale associated with grouping similar activities into functional units. Though organizations are usually mixtures of two or more types of departmentation, a firm must choose a major form of departmental organization. Several factors must be considered that will affect the decisions.

In the final analysis, the choice of one form over the other probably reflects the values of organization, key decisions markers. If they believe that the firms goal can be maximized by emphasizing customer or client services, then the product form will probably be most effective. If internal effectiveness and control is more important, then the functional form in more likely to be effective.

Some differences between functional and product organization

	Functional	Product
Unit Communication and co-ordination issues		
Connect between major structure	Higher	Lower
Communication within students	Lower	Higher
Communication between structure	Higher	Lower
Communication co-ordinating -mechanisms	Higher	Lower
HUMAN RESOURCES ISSUES		
Technical knowledge applied to -problem	Higher	Lower
Group professions identification	Higher	Lower
Training ground for top management	Lower	Higher
ORGANIZATION EFFECTIVENESS ISSUES		
Duplication of staff activities	Lower	Higher
Productivity	Higher	Lower
Efficiency	Higher	Lower
Customer satisfaction	Lower	Higher
Concern with long-term issues	Lower	Higher

7.14 MATRIX ORGANIZATION

It works well for mixed organization (TOM and MDM). The organization faces uncertainty in one or more environmental sectors and some certainty in others. The matrix organization integrates the activities of different specialists while at the same time maintaining specialized organizational units. In the matrix organization, technicians from specialized units are assigned to one or more project team to work with other personal. The basic structure of matrix organization is determined by which sector of the environment is stable and which is volatile. The specialists in the matrix organization tend to come from the organization segment that interacts with the volatile sector. The following diagram illustrates a matrix organization with a technologically volatile environment (a TDM organization) for a hypothetical aerospace firm. There are 3 functional units (production, design and engineering) and 3 projects in the firm (space shuttle, commercial satellite and the Galileo probe) The functional departments of production, engineering and design have a "project manager" from each project who assist them. The functional specialists

(E.g.: production personnel) assigned to the space shuttle project report to both the production manager and the space shuttle project manager. In an MDM organization such as the second company, the specialists would come from the marketing sector who would be responsible for different areas of music such as classical, rock and roll, and country and western. Matrix organization can result in both high technical performance and integration of diverse specialist, at the same time. It demands a great deal of co-ordination and co-operation rather than competition. Matrix organization has the potential for harmful conflict since often diverse and contradictory objectives and values come together in it, creating a good deal of ambiguity and stress for the individual involved. People in the matrix organization may be accountable, at the same time to both the project manager, the manager of the department to which they are assigned. The goals of these different managers may be in long quest in the aerospace industry,

For Example

Project managers tend to be concerned about meeting their own schedules and production output within previously planned specifications. Specialized unit manager on the other hand, are more concerned with high technical performance. Working under such circumstances is certainly stressful.

7.15 PROJECT ORGANIZATION

When the nature of the work changes rapidly due to change in the environment an organization must have a structural form that changes with it. A project organization form may be appropriated. A project is a series of related activities required to achieve an outcome such as new production or a plan for construction a new building. Projects are generally unique; no two are the same as are different brands of refrigerators or different makes of automobiles. In a project organization, individuals are assigned to one or more temporary team that exist for life of the project. The specific composition of the team is determined by the project needs. When different skills are needed for different projects, the composition of the team will change.

Other forms of Departmentation

There are other ways to differentiate and integrate organization sub-systems. A firm may choose a geographical structure in which the major organization units are designated by geographical regions. Departmentation by customer type is another form. In this case the classes of customer or client would be the major organization theme for departments.

7.16 DISTRIBUTION OF AUTHORITY

Authority is the right of decision and control. A person has to perform tasks and to meet assigned responsibilities. To have authority means that a person can make decisions without having them approved by others. For workers it refers to the control a person has over the work itself. For managers, authority refers to the rights of decisions and command about the use of organization resources by themselves and by others for whom they have responsibility. It is necessary because tasks and the responsibility for their performance are dispersed throughout the organization by the process of division of labour. It is one mechanism for co-ordination and integration of the work of members. Authority is distributed both horizontally and vertically in organization. The horizontal distribution of authority is a function of a span of control and occurs through decisions that are made in the departmentation process. The span of control is the number of subordinates which report to a manager. It is affected by factors such as the subordinate competence, the decision maker's philosophy about the control, the nature of the work to be supervised and organization size and complexity. For given size organization, the span of control will affect the structure and the number of levels. When the span of control is large, the horizontal dispersion of authority is greater and the organization will be flatter. In other words, it will have fewer organization levels. With a smaller span of control, there will be less horizontal distribution of authority and the organization will be tall with more organization levels.

Centralization refers to the degrees to which authority and power are distributed vertically in an organization. Organizations are decentralized when most decisions are made by those at lower level of the organization, guided by policies and procedure. They are highly centralized when decisions are made near the top of the organization hierarchy and the discretion of those at lower levels is constrained by formalized policies.

The distribution of authority within the departmental structural is governed by two factors. First; the Generic

i. **Type of organization** discussed earlier acts as a soft constraint on the authority structure in that it affects the decisions about the degree of delegation. The authority structures of mechanistic and organic generic organization forms will differ because of the nature of the managerial sub-system in them. In mechanistic organization, authority will be clearly defined and decision making will be more centralized. In organic organization, authority will be less clearly articulated in policies and practices, authority relationship will be rigidly defined and decision making will be more decentralized.

ii. **Organization culture :**

It will have effect on the distribution of authority. In cultures characterized by trust and confidence, authority will be more decentralized than when lack of trust is present.

Check your Progress – 7.16

- 1) The 4 kinds of work designs are,,and,
- 2) What is product organizational structure?
.....
.....
- 3) What are the different categories of Departmentation?
.....
.....

7.17 SUMMARY

Organization refers to planned co-ordination of the activities of a number of people to achieve shared goals. It performs several functions such as allocating resources:, instructing employees, exert power and control and the like.

Organization design and structures are the backbones for organizations. There are many key elements that determine the structure. The important design are Matrix, Product and functional.

Organization structures impact employee behaviour considerably. Hence, organizations must carefully design structures to the managers need to make several decisions relating to the designs they must attend to many details that have behavioural implications an employees.

7.18 CHECK YOUR PROGRESS – ANSWERS

7.7

- 1) Organizational structure
- 2) Organization
- 3) A) Mechanistic

7.12

- 1) Work specification, Departmentalization, chain of command, span of control, centralization and decentralization and formalization.
- 2) Simple structure, Bureaucratic structure, Matrix.
- 3) Team, virtual organization, Boundaryless organization.

7.16.

- 1) Job Rotation, Job Enlargement, Job Enrichment and team based design.
- 2) In a product organization structure, self contained departments or divisions are created with responsibilities attached to specific products or product groups.
- 3) Categories of Departmentalization are: Function, product Geography or territory, process and customer.

7.19 QUESTIONS FOR SELF - STUDY

- 1) Explain the key elements that determine the structure of the organization.
- 2) Discuss the differences between product and functional organization.
- 3) Describe the matrix structural design and discuss its advantages and disadvantages.

7.20 SUGGESTED READINGS

Organizational Behavior – by Stephen Robins – Prentice Hall Publications

Organizational Behavior – by K. Ashwathappa – Himalaya Publishing

Organizational Behavior – by L. M. Prasad – Sultan Chand Publications

Organizational Behavior – by Suja Nair – Sultan Chand Publications



NOTES



Chapter 8

Leadership

8.0	Objectives
8.1	Introduction
8.2	Types of Leaders
8.3	Leadership Styles
8.4	Relevant Conditions for Leadership Styles
8.5	Leadership Theories
8.6	Contingency Model Leader Effectiveness
8.7	Fred Fiedler's Contingency Model
8.8	Path Goal Theory
8.9	Managerial Grid
8.10	Summary
8.11	Check your Progress – Answers
8.12	Questions for Self - Study
8.13	Suggested Readings

8.0 OBJECTIVES

After studying this chapter you should be able to:

- ❖ Explain the concept of leadership.
- ❖ Summarize the conclusions of traits and behaviour theories
- ❖ Describe Fiedler's contingency model and path goal theory.
- ❖ Identify the various leadership styles described in managerial grid.

8.1 INTRODUCTION

Leadership is indispensable for the functioning of the family, group, society, business, government or any other organization. Since planning, executing, reviewing and controlling are the functions connected with every organization, they require a vital force in the form of a leader to design, execute, co-ordinate and control all these functions to help achieve the desired objective with efficiency. The human relations movement of 1940's and 1950's gave further credence to the concept of leadership indispensability to business and government. Since then, a lot of research has been undertaken in the area of leadership, which is still considered to be incomplete because each piece of empirical research highlights hitherto less known aspects of leadership.

The concept of leadership has undergone change over the period. Upto 1930, leadership was considered to be something of the nature of personal traits - a characteristic of the people, which was the monopoly of only few persons. The advocates of this theory held the view that their characteristics or traits are inherited. Hence, the concept of "born leadership" or the concept of "leaders are born not made" became popular. Later on others held the view that these traits may be acquired.

Leadership is regarding coping with change. Leaders always develop a vision for future and there by establish direction. Thereafter they communicate their vision to their disciples and inspire them to overcome the hurdles. Precisely, leadership is defined as ability to influence a group towards achieving the desired goals. Organizations do need strong leadership as well as strong management for the real effectiveness in their achieving of objectives. In today's dynamic world, we need creative leadership with dominating vision for future and effective skill in inspiring organizations and the employees to achieve their objectives.

Leadership: A Conceptual Analysis

The term leader has been derived from the verb "to lead". This also implies "to advance", "to excel" and "to standard" and "to guide and govern" the action of others. A leader

is a person who leads a group of followers. He will be accepted as a leader only when he has the ability and competence to guide and govern his followers i.e. he is ahead of his followers. The leader, unless he is ahead of the followers, will fail to command respect and obedience from the followers. Further, he should have an edge over his followers in regard to professional, technical, managerial or other skills. On the basis of his skill he should be capable of excelling over his subordinates or followers. A leader is also capable of taking a stand in the midst of all odds and adversities. He should not lose heart when adversities come in the way and become swollen headed when success touches his feet.

The leader also possesses the needed ability to guide and govern the actions of his subordinates. A person who is designated as a leader is accepted as a leader on the basis of Leadership, his ability -professional, technical and others to guide the actions of these subordinates. To maintain discipline in the group and to set the erring subordinates right, he possesses the needed authority to direct the actions of subordinates. He has also the ability to keep the group under discipline so as to enforce unity of action for the achievement of the common goal of the group or enterprise.

The term leadership has been defined by many authorities on management.

Barnard has described the term "leadership" in the following words:

"It refers to the quality of behaviour of the individuals whereby they guide people or their activities in organized efforts. Organized efforts take place, however, in systems of co-operation which often include property or plants. When the activities co-ordinated relate to, or are connected with, the property or plant, the two are not separate. Hence, the management or administration of such properties, as distinguished from the command or supervision of personnel, is also included as a secondary aspect of leadership".

Barnard further states that leadership depends on three things:

- i. the individuals,
- ii. the followers and
- iii. the conditions.

Apart from the individuals i.e. the leader and the followers, conditions form an important part of leadership. Leadership is moulded by the conditions or the situations prevailing in the enterprise. Conditions *Barnard* has stated that, are of two types:

- i. **Stable conditions:** Under stable conditions, the behaviour of leaders may be calm, deliberate, reflective and anticipatory of future contingencies. Leadership then is lacking in the dramatic characteristics often observed at the other extreme - Stable conditions call for self-restraint, deliberation and requirement of technique, qualities that some men like good leaders are unable to develop.
- ii. **Unstable conditions:** The other conditions are "that of instability, uncertainty, speed, intense action, great risk, important stakes, life and death issues. Here, leaders must have physical or moral courage, decisiveness, inventiveness, initiative, even audacity". *Barnard* further describes four sections of leadership behaviour:
 - a. The determination of objectives
 - b. The manipulation of means
 - c. The control of instrumentality of action
 - d. The stimulation of co-ordinated action

The first two sections are self-explanatory. The third relates to control of instrumentality of action. The instrument of action is organization. Hence, the important field of leadership behaviour is to maintain and guide the function of the organization as a whole system. The fourth aspect relates to motivational function, so as to encourage subordinates to put their minds and hearts into work. This will help to co-ordinate the activities of people towards achieving the common purpose.

There is unanimity among all the writers on leadership that the 'trait theory' is not relevant in the modern times. The main relevant theory today is the situational theory with suitable modifications. Apart from *Barnard*, there are business scientists who believe that

the concept of leadership relates to managerial behaviour in complex organizations. Leadership may be discussed as a relationship among persons. One of the staunch advocates of relationship theory was *Douglas McGregor*. *McGregor* identified four major variables of leadership relation theory. They are:

- a. the characteristics of the leader,
- b. the attitudes, needs and other personal characteristics of the followers,
- c. the characteristics of the organization such as its purposes, its structure, the nature of tasks to be performed and
- d. the social and political mileage.

McGregor's leadership relations theory is not different to what has been stated by *Barnard*. In fact, it appears to be more or less the statement of *Barnard's* view of leadership.

Livingston, the contemporary of *Barnard*, has also expressed the views, which have the overwhelming content of the relationship concept. He describes leadership as the ability to awake in others, the desire to follow a common objective. It is "founded upon an understanding of the capacities, ideas, emotions, needs and wants, both collectively and individually of those led".

The other advocates of relationship theory are *Tanenbaum*, *E.Katz*, *William Foote Whyte* and a number of others. After reviewing the contribution made by different writers, the following two definitions may comprehend what has been the substance of these authorities. "Leadership is the ability to secure desirable action from a group of followers voluntarily, without the use of coercion".

8.2 TYPES OF LEADERS

Leaders may be classified under the following heads:

i. Intellectual leaders

They are the leaders by intellect. Such persons are recognized as leaders on the basis of intellectual work of great importance and relevance done by them for the good of the people. Their contribution enriches the branch of knowledge to which they belong. Many Nobel laureates have done commendable work, which has been instrumental in reducing human suffering and increasing welfare of humanity. Whether they were scientists, doctors, engineers, poets or philosophers, all have made significant contribution to the good of humanity. This brought to them the status of intellectual leaders. Others are recognized without being the Nobel Laureates. They may be *Ruskin*, *Carlyle*, *Keats* or *Duiker*.

ii. Institutional leaders

They are the leaders by position. Generally, the head of a particular institution is recognized as a leader. E.g.: The Imam of *Jama Masjid* or the Head of *Bohra* communities are the instances of institutional leadership.

iii. Democratic leaders

They are the leaders by majority. Whosoever is designated as a leader by the majority, is declared as the leader. Once the majority gives its verdict in favour of the personal others-even those opposing him will soon accept him as their leader and sink all their differences to give him wholehearted support.

Democratic leaders have to operate with much difficulty. They get obedience by persuasion rather than force, fear, status or power. Such leaders have to respect Leadership feeling and sentiments of their followers and involve them in the decision making process as far as possible.

Participation not only makes the leader strong enough to enforce every decision with success but he acquires 3 additional advantages. Firstly, he may be sure that his subordinates will not ditch him at the last moment by deserting him. With the cross fertilization of ideas, the leader more often corrects himself in addition to

giving satisfaction to his subordinate of participation in decision making process. Secondly, the democratic leader averts the situation of becoming the victim of his own follies by remaining in his own ivory tower. When he has an open mind to discuss every problem and to seek rational solution with the help of his colleagues and subordinates, each one of them will provide his most considered opinion that may prove to be useful to the leader as well as the group he is commanding. When the members do not have the power to express their views they may withhold every such advise which they feel is correct and useful to the group or the enterprise with the result that they may even get some pleasure by seeing the leader becoming victim of his own follies. Thirdly, the danger of collapse after the departure of the leader is minimized to a great extent.

iv. Autocratic leaders

They are the authoritarian leaders. They are the leaders by authority. The authoritarian leader directs his subordinates to perform the requisite task in accordance with the dictates given to them. There is practically no scope for influencing the action of the leader by the subordinates. The leader will use all means to exact obedience from his subordinates. He may go to the extent of using force, coercion, and threat to force the subordinates to execute the task as desired by him.

The authoritarian leader generates a fear among the subordinates either on the basis of his imposing personality or make free use of “rule of thumb” which tolerates no deviation. Whatever action he takes he considers it perfect. He will not tolerate his subordinates suggestions much less intervention. More often, the leader will get credit for what has been accomplished by the group and will pass all criticism to the subordinate’s in the event of any failure on his part. In such a state, there exists a climate of distrusts, disharmony, and suspicion and even ill will between the superior and subordinates. Such a climate is not conducive either to the harmony of relationship or the achievement of the group’s object with efficiency.

v. Persuasive leaders

They are the leaders by personality. Such leaders fall in the category of charismatic leadership, which was developed by Weber. The charismatic leaders, also attract authority because of “devotion to the specific and exceptional sanctity, heroism or the exemplary character of an individual person and of the normative patterns or order revealed or ordained by him”. The charismatic leader attracts followers on the basis of the qualities of persuasiveness he possesses. It will be pertinent to remark that, the real leadership cannot be established merely on the basis of the charismatic qualities of the leader. More often it is the other driving force, which persuades the followers to believe that the leader possesses the charismatic qualities because by telling this, both are benefited. To be more specific, it may be stated that the great business leaders such as Henry Ford, John D. Rockfall and Chryslor said to be possessing the charismatic qualities, commanded allegiance from many able followers not merely on the basis of presort qualities but more importantly of the latent authority of the big business they were owning.

vi. Creative or Innovative leaders

They are accepted as leaders on the basis of the contribution made by them in their branch of knowledge. Their contribution is generally of great relevance to human upliftment whether they are scientists, engineers, architects or business experts. Some of them get official recognition in the form of national or international honor bestowed on them in the form of Nobel Price or such other prizes given by internationally or nationally recognized institutes.

8.3 LEADERSHIP STYLES

Leadership style is different from the personality trait of the leader. Though the leadership behaviour will be influenced by the personality trait of the leader, it will be more conditioned by the situations obtaining around him. We may call these situations as external environment in organizational setting. The important components of situational dynamics are

- i. Organization
- ii. Superiors
- iii. Job demands
- iv. Other situational variables not categorized in the scheme of setting,
- v. Followers or subordinates
- vi. Associates

All these situational factors and the personality trait of a leader determine his style of functioning, which is known as leadership style.

Leadership style may be defined as the consistent behaviour pattern of the leader when he is working with and through other people as visualized by these people. The consistency of behaviour pattern will depend on the responsive behaviour of the group in a given situation.

Leadership styles may be classified under three heads:

i. Leader centered or autocratic

The autocratic style is characterized by centralization of authority in the leader regarding decision-making. The leader more often makes decision and announces them. Sometimes, he presents tentative decisions, which may not be changed. Certain leaders give even detailed explanation for taking a decision, whereas a few do not feel the necessity of giving such explanation.

Some scholars characterize the autocratic style as benevolent and authoritative. The benevolent element will take into account the limitations of man and work situations, whereas the exploitation may even cause hardship to subordinates.

A few leaders adopt a consultative style. They may consult the subordinates in respect of the problems and take their suggestions before announcing their decision.

The characteristic feature of autocratic style is that, there is little or no participation of subordinates in decision-making.

The leader may even go to the extent of using force or depriving subordinates of their legitimate right of expression on work matters and genuine grievances and problems emanating from implementing that decision. He is only interested in the obedience of his orders even at the expense of individual or group harmony or solidarity.

The results of this style of functioning are sometimes disastrous. They are reflected in resentment, absenteeism and higher turnover rate among employees. When the level of discontentment reaches its pinnacle, it may result in group disobedience to provoke conflict between labour and management resulting in stoppage of work. In spite of these considerations, the autocratic style is justified on the following grounds.

- a. There may be very little time for participation and every delay may violate the very object proposed to be achieved.
- b. Participation is fraught with danger of leaking out information of a confidential nature; for instance, some moderator of a question paper may not directly associate some of his subordinates with the work of moderating a question paper of the university.
- c. Sometimes style, by its very nature, invite lot of reaction from the subordinates, because men by nature want to be consulted by their superiors before they take any decision on matters relating to them. This is a psychological urge which has got to be satisfied in one form or the other. Under such circumstances, the leadership style should be such that the subordinates get psychological satisfaction of participation even though they may not be possessing the ability to contribute anything.

ii. Group centered or democratic

The democratic style is premised on the basic principle of participation of subordinates in decision-making process. It is not necessary that the leader makes every subordinate a party to a decision but, by and large, a process is evolved in which the decision-making instinct of the subordinates is satisfied. In other words, there is free flow

of communication between the superior and subordinates before any final decision is taken in the matter.

The manager or the leader may adopt any out of many methods of participation by the subordinates. Sometimes the problem is openly discussed among all the members of the group with or without the presence of the leader. The leader under such a system shall have to bring about a sort of general consensus on specific issues. This may be an extreme form of democratic style in which the formation of a consensus to accommodate every shade of thinking is quite an uphill task for the manager. To ward off such a contingency, the manager defines the limits and then asks the group to take decisions. There are greater chances of crystallization of issues to avoid irrelevant discussion and thus to arrive at meaningful decision. Though the manager may be criticized on the ground of curtailing the freedom of expression of the subordinates, such limits are placed with the intention of channelising discussion towards right direction.

The style is designed to enlist participation of subordinates. In the event of difference of opinion between the superior and subordinates, the superior will persuade and even convince his subordinates to his line of action on the basis of his ability, competence and leadership qualities rather than force, status or power enjoyed by him. This style has direction of leadership and liberty of expression and participation of democracy. The leader channelises the discussion towards fruitful and meaningful direction. He stops when discussion goes stray or encourages subordinates to express their view independently in the forthright manner, if need be.

Democratic style does not imply a complete anarchy or the absence of rule of law. The participation of subordinates under this style is sought with the purpose of leadership thrashing out issues and taking meaningful decisions on specific issues. The subordinates have the capacity to contribute effectively which is systematically exploited by the effective and competent leader to help him take correct decision. Further, it encourages co-operative spirit and even the development of subordinates for doing their jobs better. It proves motivational also because it fulfills the basic urge of participation. The democratic style is based on McGregor's Theory "Y" which envisages the following principles:

- a. The fountainhead of authority is not only the position which the leader is occupying but also more importantly the power bestowed by the group to lead. If the group refuses to be led by him, what will be the fate of such power or position?
- b. People are basically self directed and creative at work if properly motivated. In other words, the subordinates have the needed competence to give their advice at least on many issues if not on all issues. We cannot scratch out their work experience, their training and their ability to apply theory into practice, which many leaders may not be possessing. So the criticism of democratic style is unfounded. In fact, it is the democratic style, which has been generally preferred and practiced by leaders in every type of organization.

iii. Individual centered or free rein laissez-faire

The laissez-faire style may be stated as the system of least interference by the leader. He depends largely on the group and its members to establish their own goals and take the decisions. It implies absence of formal leadership. The leader assumes a passive role as one of subordinate with the abdication of formal leadership role, the function leadership, whatever existing, may be informal or emergent. This style is generally not practical unless practiced in a small group of a fairly intelligent and experienced people. A manager cannot adopt a particular leadership style. Indiscreetly though democratic style is considered to be generally accepted. Sometimes, he has to adopt autocratic and rarely laissez faire also. But the choice of style may generally depend on organizational setting on the one hand and the style and expectations of leaders, followers, supervisors and organizations on the other.

- a. The leadership style is determined by the organizational setting comprising supervisors followers, associates, job demands, organization and other situational variables.

- b. Styles and expectations of superior and subordinates: Whereas style is the consistent behaviour pattern, expectation may be defined as perceptions of appropriate behaviour for one's own role or position or one's perceptions of the roles of others within the organization. Accordingly, there are leaders, followers, supervisors, associates, organization's styles and expectations.
- c. Skill, personality and the value system of the leader and the subordinates.

Today effective managers must develop trusting relationship with their followers because organizations are becoming less and less stable and predictable. In the changing world atmosphere the organizations are bound to look for managers who can exhibit transformational leadership qualities. This requires precise vision and the charisma to carry out these visions successfully. The managers must remember that their followers also have in their mind certain attributes by which they accept their leadership. They are smartness, personal touch and verbally adept, etc. the leadership managers must also accept that beyond focusing on their own leadership qualities, they should also care for investing in leadership training and thus leadership selection.

Check your Progress – 8.3

1) Define leadership.

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.....

2) Identify the types of leaders.

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3) What are the leadership styles?

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.....

8.4 RELEVANT CONDITIONS FOR LEADERSHIP STYLES

Following conditions are relevant in making a choice regarding the leadership style:

i. Personality

The fundamental object of leadership style is to get response from the followers. The leadership style has to be adaptive to the personality traits of followers. *N.Z. Medulla* conducted a study in a military group. He came to the conclusion that people with authoritarian tendencies had a liking for formal military leadership with the traits of a good officer. In other words, subordinates with authoritarian tendencies preferred authoritarian style of leadership. What is true of followers is also true of leaders. The leaders with certain personality traits may not be suitable for a certain leadership style. A person who has the suppressed personality is not expected to adopt the authoritarian leadership style and vice versa.

ii. Task characteristics

The nature of the task accomplished also determines the leadership style. Though no systematic research has been completed on classifying the tasks but the tasks, according to *Golembiewski*, may be divided under two heads:

- a. The problems whose solutions are obvious and
- b. The problems of a complex nature requiring interpersonal co-operation of the group members.

Whatever studies, which have been made so far, suggests that the tasks which have more than one solution and require greater degree of interpersonal co-operation, may require democratic style of leadership. The autocratic style may be inappropriate as it is likely to vitiate the instinct of co-operation on one hand and may

generate emotional flare up on the other to jeopardize the basic purpose of accomplishing the desired objective. Even the tasks having obvious solution may best be accomplished through “group centered” other than “leader centered” style. It will also be relevant to remark that the level of intelligence and the style of leadership are intimately related to one another. The experiments show that intelligent people prefer democratic style while less intelligent or dullards are satisfied with autocratic style. The logic is simple. Persons with higher level of intelligence prefer to exercise their own thinking, contribute to the decision arrived at and influence and be influenced with the interaction between themselves and the leader. On the contrary, the dullards will require greater command and direction to perform the task. Hence, they may prefer, not always so, generally the autocratic style.

iii. Task Roles

Leadership style is also influenced by the task roles. It implies what is to be done by the superior? What is to be done by the subordinates? Though the role perceptions of the leaders and subordinates are quite different, in certain areas they are more or less identical. In the light of this fact, roles may be categorized under three heads:

- a. ***Roles peculiar to superiors:*** These are the roles, which are beyond the comprehension and area of activity of the subordinates; such roles are setting general goals.
- b. ***Roles peculiar to subordinates:*** These are the roles, which are generally not interfered with by the leaders; mention may be made in this regard of deciding how to use a tool.
- c. ***Mixed roles:*** These are those activities, which may be performed by either of them or by both of them; example may be of reallocating machines on which individuals have worked for many years.

iv. Group characteristics

Every group tries to develop group norms or group goals, which may be imposed on its members or the outside world. The formal acceptance of leadership is irrelevant to accomplish the desired object of group, but there is the informal acceptance of formal leadership. There cannot be informal acceptance of formal leadership under which the leader informally aligns himself with the goals of the group. For instance, if the group favoured low output, the leader shall have to align himself with this group’s object, if he wants informal recognition of his formal leadership. This is also not very rational.

Under the circumstances, different leadership styles may be more suited to the characteristics of the group.

8.5 LEADERSHIP THEORIES

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 followers with his or her problems, and needs;
- And
3. The group situation in which followers and leaders relate with one another.¹³

To concentrate on any one of these three factors represents oversimplification of an intricate phenomenon.

The theories of leadership considered in following pages are:

- (a) Trait theory
- (b) Leader

- (c) The Managerial Grid
- (d) Contingency theories

Besides, the famous Theory X and Theory Y of McGregor has also been considered.

TRAIT APPROACH

The trait theories of leadership focus on the **individual characteristic** 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 5000 **leadership** studies and concluded that successful leaders tend to have the following qualities.¹⁴

- (i) A strong desire for accomplishment
- (ii) Persistent pursuit of goals
- (iii) Creativity and intelligence used to solve problems
- (iv) Initiative applied to social situations
- (v) Self-assumed personality
- (vi) Willingness to accept behavioural consequences
- (vii) Low susceptibility to interpersonal stress
- (viii) High tolerance of ambiguity
- (ix) Ability to influence other people
- (x) Ability to structure social interactions

Most of the research on leadership conducted till now concentrated mainly on the unique qualities of Leadership 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 centerdness, inability to get along with others, lack of vision, lack of character and mental health problems such as aggression, depression, disorganization, 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 "polarization" 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 criticized by many. Some of the limitations of the theory are the following :

- (i) 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.
- (ii) How much of which react a successful leader must have is not fear- Furthermore, certain, particularly psychological, cannot be quantified.
- (iii) The theory assumes that a leader is born and not trained. This assumption is not acceptable to the contemporary thinkers on the subject.
- (iv) 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 organization and the characteristics of followers will equally determine the effectiveness of leaders.
- (v) 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.
- (vi) 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.

It does not mean to say that the trait theory of leadership is irrelevant. With all its limitations, the theory is still relevant because of certain merits. One merit relates to the qualities of successful leaders. Focusing on personality traits, a review of studies carried out from 1900 to 1957 showed that, leaders tend to be consistently better adjusted, more dominant, more extroverted, more masculine, and more conservative and have greater interpersonal sensitivity than non-leaders.”

The *Second* merit relates to the influence of personality on one’s effectiveness “ person’s personality, what he fundamentally is as a person, is an ever present and massive influence on how and with what success, he functions as a manager.”

“The personality of man is his inner life, including such inner elements as background, life history, beliefs, life experiences, attitudes, prejudices, self-image, fears, loves, hates, hopes and philosophy of life. In this sense, a man is like an iceberg: only a small fraction of what he appears above the surface (his observable behaviour, what he does); the rest is his inner life, the 7/8 of the iceberg that lie, unobservable, below the surface.”

However, the manager’s inner personality causes or ‘spills over’ into his behaviour which, in turn, affects others with whom he works, eliciting from them either co-operative or resistance reaction. And, therein lies the manager’s fate: co-operative reactions from his people spell success, resistance reactions, however irrational from the manager’s view-point, usually assure his failure.”

“... It is clear that there is an influential relationship between a manager’s total personality and his success as a manager on the job. I have submitted this precise to several thousand practising managers over the years and based on their experience virtually all acknowledge its validity.”¹⁷

Third, the view that leaders are born, not made is in fact, still popular (through 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.¹⁸

Finally, the theory has certain practical implications also. If leadership traits could be identified, then nations and organizations would become far more sophisticated in selecting leaders, Only those people who possess the designated leadership traits would become politicians, officers and managers. Presumably, organizations and societies would then operate more effectively.¹⁹

BEHAVIOURAL THEORIES

Beginning in the late 1940’s and continuing through the early 1960’s 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, where as 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. Thus, the difference between the two approaches is summarized in Table

Theories	Emphasis	End result
Trait theories	Study personal Characteristics	Separate leaders from non-leaders
Leader Behaviour Theories	Study how leader behaviour affects follower’s performance	Study how leader traits affects performance

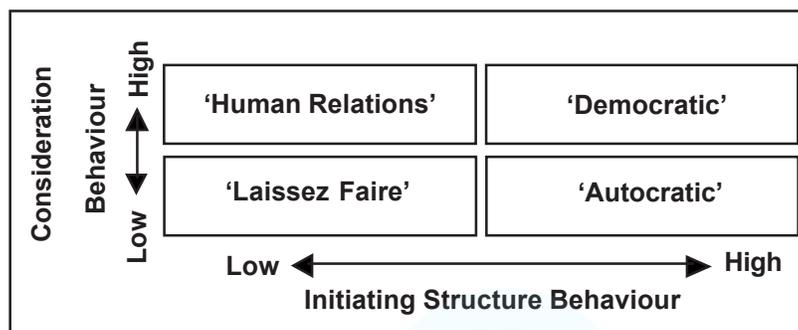
The Ohio State University studies and the University of Michigan studies are the two important behavioural theories.

(Ohio State University Studies:) These well publicised studies were started shortly after World War. 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. Ohio State people.
- (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



Leader Behaviours and Popularized Leadership Styles

(Source: Schermerhorn et al., *Organizational Behaviour*, p. 587)

The findings of Ohio State studies can be summarized as follows:

- (i) Consideration was positively related to low absenteeism and grievance, but it was negatively or neutrally related to performance.
- (ii) Initiating structure was positively related to employee performance but was also associated with such negative consequences as absenteeism and grievances.
- (iii) 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.²⁰

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-centered 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 other work related decisions, and helped ensure high performance by inspiring respect and trust.

At first the findings of Michigan studies seem to refute the Ohio state research because they place leadership on a continuum. But a deeper analysis reveals that employee and work orientation are two separate dimensions and that a leader can be either high to low on one.

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 theorists, 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 a consideration of the situational factors that influence success or failure.

8.6 CONTINGENCY MODEL OF LEADER EFFECTIVENESS

The Fred Fiedler Model

A particular style of leadership cannot be effective under all circumstances. In other words, it is contingent on the environments obtaining in the enterprise. Even the universally accepted “democratic style” of leadership ‘concentrating on subordinates participation in decision making process cannot be operative in every situation.

Contingency Model of Leadership Effectiveness

Leadership Theories - Fiedlers contingency theory was developed by Fred Fiedler in the late 1960s. He believes the effectiveness of leadership styles vary depending on the situation. He believes that there are two types of the leaders, the task oriented one and the people oriented one.

The elements that would affect the effectiveness of leadership are:

- How clearly defined and structured the job scope is?
- How much positional power the leader has?
- The relationship between the leaders and the followers.

Fiedler believes that the most favourable situation is one that has a clearly defined scope, high positional power and good relationship between the leaders and the followers. He found that task-oriented leaders are more effective in extremely favorable or unfavorable situations; whereas relationship oriented leaders perform best in situations with intermediate favorability.

Fred E. Fiedler’s contingency theory of leadership effectiveness was based on studies of a wide range of group effectiveness, and concentrated on the relationship between leadership and organizational performance. This is one of the earliest situation-contingent leadership theories given by Fiedler. According to him, if an organization attempts to achieve group effectiveness through leadership, then there is a need to assess the leader according to an underlying trait, assess the situation faced by the leader, and construct a proper match between the two.

Fiedler’s Contingency Model

The theory suggests that, effective groups depend on a proper match between a leader’s styles of interacting with subordinates and the degree to which the situation gives control and influence to the leader.

Least Preferred Co-Worker (LPC) Questionnaire

It is an instrument that purports to measure whether a person is task, or relationship-oriented

Fiedler’s Model: Defining the Situation

According to Fiedler, a leader’s behavior is dependent upon the favorability of the leadership situation. Three factors work together to determine how favorable a situation is to a leader. These are:

Leader-Member Relations

Is the degree to which the leaders is trusted and liked by the group members, and the willingness of the group members to follow the leader’s guidance. It is the degree of confidence, trust, and respect the subordinates have in their leader.

Task Structure

Is the degree to which the group’s task has been described as structured or unstructured, and has been clearly defined and the extent to which it can be carried out by detailed instructions.

Position Power

It is the power of the leader by virtue of the organizational position and the degree to which the leader can exercise authority on group members in order to comply with and accept his direction and leadership. The influence is derived from one’s formal structural position in the organization; includes power to hire, fire, discipline, promote, and give salary increases.

With the help of these three variables, eight combinations of group-task situations were constructed by Fiedler. These combinations were used to identify the style of the leader.

Leader’s trait

In order to assess the attitudes of the leader, Fiedler developed the ‘least preferred co-worker’ (LPC) scale in which the leaders are asked about the person with whom they least like to work. The scale is a questionnaire consisting of 16 items used to reflect a leader’s underlying disposition toward others. The items in the LPC scale are pleasant / unpleasant, friendly / unfriendly, rejecting / accepting, unenthusiastic / enthusiastic, tense / relaxed, cold / warm, helpful / frustrating, cooperative / uncooperative, supportive / hostile, quarrelsome / harmonious, efficient / inefficient, gloomy / cheerful, distant / close, boring / interesting, self-assured / hesitant, open / guarded. Each item in the scale is given a single ranking of between one and eight points, with eight points indicating the most favorable rating.



Fiedler states that leaders with high LPC scores are relationship-oriented and the ones with low scores are task-oriented. The high LPC score leaders derived most satisfaction from interpersonal relationships and therefore evaluate their least preferred co-workers in fairly favorable terms. These leaders think about the task accomplishment only after the relationship need is well satisfied. On the other hand, the low LPC score leaders derived satisfaction from performance of the task and attainment of objectives and only after tasks have been accomplished, these leaders work on establishing good social and interpersonal relationships.

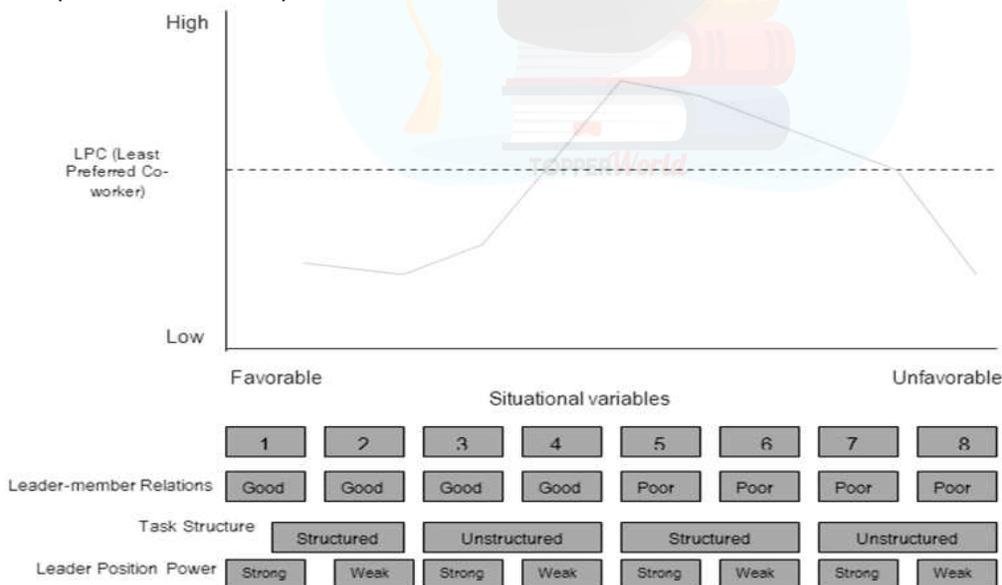


Figure 1: Correlation between leader’s LPC scores and group effectiveness

8.7 FRED FIEDLER’S CONTINGENCY MODEL

The Contingency Model has the following four components:

1. Three elements viz : i) Leader member relation, ii) Position power of the leader, iii) Task structure
2. Overall favourableness of the situation
3. Leadership traits
4. Group effectiveness

i. Three elements

a. Leader member relation

Leader member relationship is by far the most important component of leadership. If there exists estrangement between the leader and members of the group the leader will find it difficult to implement any plan or policy for achieving the object of the group. Hence, a climate of trust, confidence and harmony should exist between the leader and the followers on the basis of mutuality and reciprocity.

No leader can function unless he is fully assured by the organization of the position and power of a leader. The position and power of a leader depends on 4 sets of the following authority enjoyed by him:

- Expert authority
- Legitimate authority
- Reward authority
- Coercive authority.

A leader not possessing the requisite expertise capable of excelling himself over his subordinates will not get spontaneous response from his subordinates. The subordinates will respect him only when they are sure of getting something tangible from his superior.

Legitimate authority ought to go with every concept of leadership. A leader without legitimate authority commensurate to the position and status he is enjoying will fail to act as effective leader. If he possesses less authority he will be faced with the danger of flouting his authority by his subordinates. Under such circumstances it will be very difficult for him to command his subordinates or even to keep the group intact.

Sometimes the authority of most leaders is usurped by their bosses with the result they have to eat humble pie before their subordinates. The subordinates know that they have a direct access to the higher boss with the result they do not care for their immediate boss. This is a highly dangerous situation, which may crumble the very edifice of organization structure if the hierarchy of authority is tampered with.

b. The position power of the leader is related to the authority of giving reward or the authority to coerce the subordinate. If he is satisfied that the subordinate has done good work in accordance with the objective norm of performance, he enjoys power to reward him appropriately to boost his morale, which in turn will not only motivate other subordinates to put their mind and heart into the work the status and position of the leader in the eyes of the subordinates likewise. The leader should also possess the authority to penalize the subordinates if they have done bad work in spite of earlier advice and warnings.

c. Task structure also contributes to the effectiveness of leadership. Better the task structure, more favourable the situation to the leader. A task is said to be structured better if it fulfills the following conditions:

Decisions about the tasks can be evaluated objectively, the goal is clearly understood by the group. There are few rather than many ways to accomplish the task.

There are few rather than many correct solutions to the problem.

ii. Overall favourable situations

There are 8 situations ranging from very favourable to unfavourable to the leader. A favourable situation is that in which the relation between the leader and the group members is good and that the members are always inclined to help the leader to realize the group's goals. Conversely, if the relations between the superior and the subordinates are not good due to prevalence of unfavourable situation, the subordinates will have reservations in extending full support to their leader. They may even go to the extent of creating situations in which the leader finds himself completely helpless to execute his plans and policies which are directed towards achieving the desired objectives.

iii. Leadership traits

The traits of a leader have relevance to the effective functioning of a leader. The traits are:

co-operative vs. uncooperative

friendly vs. unfriendly

self-assured vs. hesitant

interested vs. bored.

These have an important bearing on the proper functioning of a group. Any leader who is unco-operative or unfriendly or hesitant or bored will confront a lot of opposition from his subordinates. He will have to work very hard to carry his subordinates with him. Consequently, every leader should make a self-introspection of oneself and try to make up the deficiency in his style of functioning and behaviour.

iv. **Group effectiveness**

Group's object can be achieved only through group effectiveness. Group effectiveness implies that there exists a climate of trust and confidence and harmony existing in the group in which there is proper interaction between superior, subordinate and peers. Each one is striving to achieve the group's object by subordinating his personal object. The leader is acting as the teacher and the subordinates are providing spontaneous support to the point of enlisting the co-operation and contribution of his subordinates by inviting them to participate in the decision making process.

The suggestions of the subordinates are evaluated on merit and they are accepted or rejected on the basis of logic and argument. The leader has an open mind and rational attitude to accept other's advice and to make amends in his thinking and behaviour. When such environments exist in the group they will lead to make it effective.

A number of studies on leadership behaviour have been completed at the Ohio state university, which reveal two important variables on which leadership behaviour depends:

- a. **Initiating Structures (SI):** It reflects the extent to which an individual is likely to define and structure his role and then of his subordinates towards goal attainment. A high score on this dimension characterizes individuals who play an active role in directing group activities through planning, communicating information, scheduling, trying out new ideas.
- b. **Consideration (C):** It reflects the extent to which the individual is likely to have job relationship characterized by mutual trust, respect for subordinate's ideas and consideration of their feelings. A high score is indicative of a climate of good rapport and two way communication. A low score indicates that the supervisor is likely to be impersonal in his relations with group members.

Later on, Paul Hesse and Kenneth H. Blanchard at the center for leadership studies developed the Tri-dimensional leader effectiveness model. They have used the terms Task Behaviour and Relationship Behaviour for consideration and initiating structures as done by other professors of Ohio state university. According to them, there are 4 brave "Leadership Quadrants" which have also been described by them as "brave styles". They are –

high task and low relationship

high task and high relationship

low task and high relationship

low task and low relationship.

They have defined Task Behaviour:

"The extent to which leaders are likely to organize and define the roles of the members of their group (followers): to explain what activities each is to do and when, where and how tasks are to be accomplished; characterized by endeavouring to establish well defined patterns of organization, channels of communication and ways of getting jobs accomplished."

- c. **Relationship Behaviour:** The extent to which leaders are likely to maintain personal relationship between themselves and members of their group (followers) by opening up channels of communication, providing socio-emotional support, psychological strokes and facilitating behaviour.

The Tri - Dimensional Model was further improved upon by the application of the element of effectiveness, which was developed by William J. Reddin. The leadership style is effective when it is appropriate to a given situation; conversely, the style is ineffective when it is inappropriate to a given situation.

Though democratic style is generally accepted as the best style, it cannot be operative successfully in all situations and environmental settings. Consequently, the successful leadership style is that the leader’s behaviour meets the needs of the group in the situations obtaining in an environmental setting. Environment includes the leader, the followers and the situational variates. In short, the success of the leader depends on his behaviour in the environmental setting.

8.8 PATH GOAL THEORY

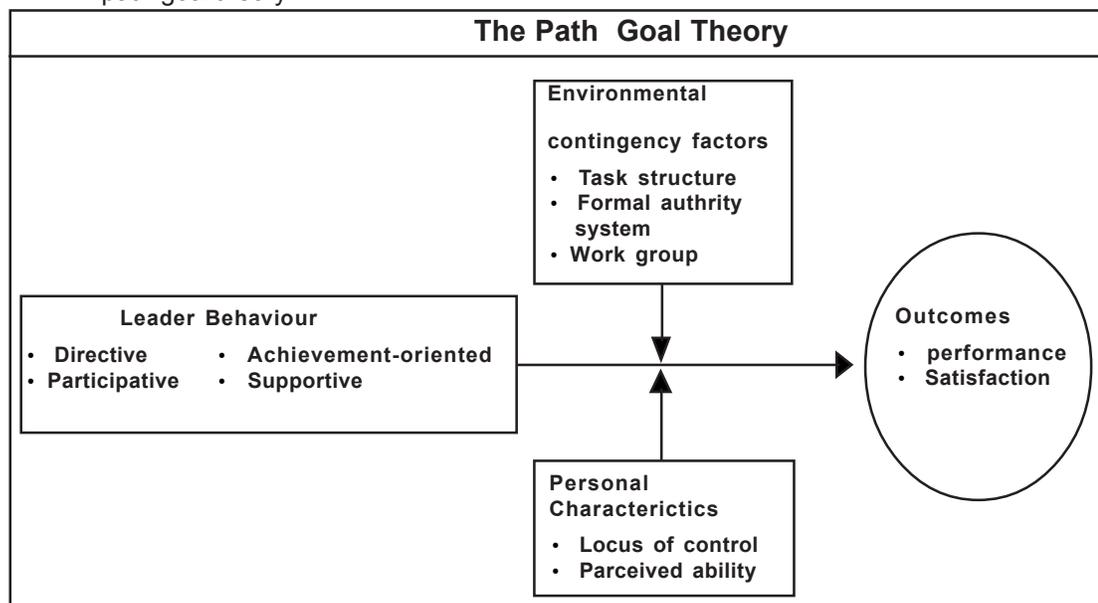
Developed by Robert House, path-goal theory extracts elements from the Ohio State leadership research on initiating structure and consideration and the expectancy theory of motivation.

The Theory: The essence of **path-goal theory** is that it’s the leader’s job to provide followers with the information, support, or other resources necessary for them to achieve their goals. The term path-goal is derived from the belief that, effective leaders clarify the path to help their followers get from where they are to the achievement of their work goals and to make the journey along the path easier by reducing roadblocks.

Leader Behaviours: House identified four leadership behaviours. The directive leader lets followers know what is expected of them, schedules work to be done, and gives specific guidance as to how to accomplish tasks. The supportive leader is friendly and shows concern for the needs of followers. The participative leader consults with followers and uses their suggestions before making a decision. The achievement-oriented leader sets challenging goals and expects followers to perform at their highest level. In contrast to Fiedler, House assumes leaders are flexible and that the same leader can display any or all of these behaviours depending on situation.

Contingency Variables and Predictions

As Exhibit illustrates, path-goal theory proposes two of contingency variables that moderate the leadership behaviour-outcome relationship-those in the environment that are outside the control of the employee (task structure, the formal authority system, and the work group) and those that are part of the personal characteristics of employee (locus of control, experience, and perceived ability). Environmental factors determine the type of leader behaviour required as a complement if follower outcomes are to be maximized. While personal characteristics of the employee determine how the environment and leader behaviour are interpreted. So the theory proposes that, leader behaviour will be ineffective when it is redundant with sources of environmental structure or incongruent with employee characteristics. For example, the following are illustrations of predictions based on path-goal theory:



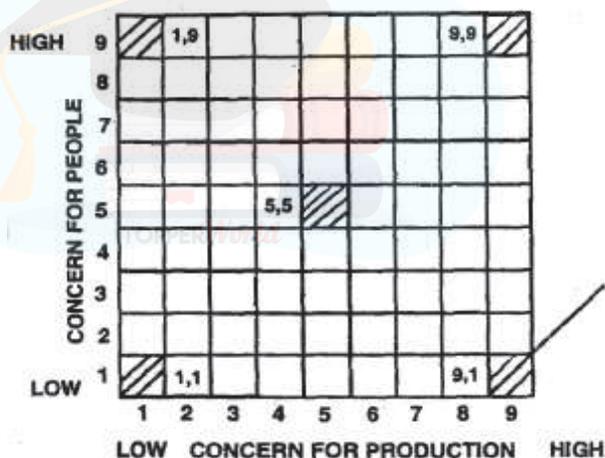
1. Directive leadership to greater satisfaction when tasks are ambiguous or stressful than when they are highly structured and well laid out.
2. Supportive leadership results in high employee performance and satisfaction when employees are performing structured tasks.
3. employees with high perceived ability or with considerable experience.
4. Employees with an internal locus of control will be more satisfied with a participative style.
5. Achievement-oriented leadership will increase employees' expectancies that effort will lead to high performance when tasks are ambiguously structured.

Evaluation Due to its complexity, testing path-goal theory has not proven to be easy. A review of the evidence suggests mixed support. As the authors of this review commented, "These results suggest that either effective leadership does not rest, in the removal of roadblocks and pitfalls to employee path instrumentalities as path-goal theories propose or that the nature of these hindrances is not in accord with the proposition of the theories." Another review conclusions that the lack of support was "shocking and disappointing." These conclusions have been challenged by others who argue that adequate tests of the theory have yet to be conducted. Thus, it is safe to say that the jury is still out regarding the validity of path-goal theory. Because it is so complex to test, that may remain the case for some time to come.

8.9 THE MANAGERIAL GRID

A graphic portrayal of a two dimensional view of leadership style has been developed by Blake and Mouton. They propose a managerial grid based on the styles of "concern for people" and "concern for production", which essentially represent the Ohio state dimensions of consideration and initiating structure or the Michigan dimensions of employee-oriented and production-oriented.

The grid, as illustrated below, has some possible positions along each axis, creating eighty-one different positions in which the leader's style may fall. The grid does not show results produced, but rather the dominating factors in a leader's thinking in regard to getting results. Based on the findings from the research Blake and Mouton conducted, they concluded that managers perform best under a 9,9 style as contrasted for example with a 9,1 (task oriented) or the 1,9 (country - club type) leader. Unfortunately, the grid offers a better framework for conceptualizing leadership style than for presenting any tangible new information in clarifying the leadership quandary since there is little substantive evidence to support the conclusion that 9,9 style is most effective in all situations.



i.

1,1 Impoverished Style

It implies exertion of minimum effort to get required work done and is appropriate to sustain organization membership.

ii.

1,9 Country Club Style

It implies thoughtful attention to needs of people for satisfying relationship and leads to a comfortable, friendly organization atmosphere and work tempo.

iii.

(5,5) Middle Road Style

It implies adequate organization and performance is possible through balancing the necessity to get out work with maintaining morale of people at a satisfying level.

iv.

(9,1) Task Style

It implies efficiency in operations results from arranging conditions of work in such a way that human elements interfere to a minimum degree.

v.

(9,9) Team Style

It implies that work accomplished is from committed people, and interdependence through a “common state”. In organization, purpose leads to relationships of trust and respect.

Check your Progress – 8.6 , 8.7, 8.8, 8.9

- 1) What are the components of Fred Fielder’s contingency model?
.....
.....
- 2) According to path goal theory, which are the leadership styles that leaders can choose from?
.....
.....
- 3) What does the managerial grid imply?
.....
.....

8.10 SUMMARY

Leadership refers to the process of influencing others, it follows enthusiastically towards realization of shared goals. Influence is a two- way process. The leader influences and is influenced by followers.

Among the theories of leadership, the most discussed theory is traits theory. According to this theory a successful leader is said to possess biological, psychological and social qualities. Next is the behaviour theories which focus on what the leaders do while influencing the behaviour of sub- ordinates.

Contingency theories and the path goal model stresson the fact that leadership effectiveness depends on situations. Also these are relevant situational variable would include the task structure of the job, level of situational stress, level of group support, the leaders intelligence and experience, and follower characteristics such as personality experience, ability and motivation.

8.11 CHECK YOUR PROGRESS – ANSWERS

8.3.

- 1) Leadership is the ability to influence a group towards the achievement of goals.
- 2) Intellectual leader, Institutional leader, Democratic leaders, Autocratic leader, Persuasive leader and Creative or Innovative leader.
- 3) Leader centred or autocratic, group centered or democratic, Individual centred or free rein faire.

8.6, 8.7, 8.8, 8.9

- 1) The leaders style, leader member relations, task structure, power of the leader’s position and situational control.
- 2) Directive, supportive, participative and achievement oriented.
- 3) Exertion of minimum effort to get required work done; Thoughtful attention to needs of people for satisfying relationship.

8.12 QUESTIONS FOR SELF - STUDY

- 1) What is leadership? Explain its types and styles.
- 2) Explain in details the theories of leadership.
- 3) What is a managerial grid as provided by Blake and Mouton? What are the various leadership styles in the grid? Which combination of style do you think is the best and Why?

8.13 SUGGESTED READINGS

Organizational Behavior – by Stephen Robins – Prentice Hall Publications

Organizational Behavior – by K. Ashwathappa – Himalaya Publishing

Organizational Behavior – by L. M. Prasad – Sultan Chand Publications

Organizational Behavior – by Suja Nair – Sultan Chand Publications



Chapter 9

Conflict Management

9.0	Objectives
9.1	Introduction
9.2	Individual Conflict
9.3	Organizational Conflict
9.4	Types of Organizational Conflict
	9.4.1 Causes of Conflict
	9.4.2 Other sources of Conflict
9.5	Integration, Diffusion and Complementarily
9.6	Other Resolution Technologies
9.7	Summary
9.8	Check your Progress – Answers
9.9	Questions for Self - Study
9.10	Suggested Readings

9.0 OBJECTIVES

After studying this chapter you should be able to:

- ❖ Define conflict
- ❖ Differentiate between Individual and organizational conflict
- ❖ Identify the reasons for conflict
- ❖ Explain various techniques to resolve conflict.

9.1 INTRODUCTION

Conflict has been defined by writers in different ways. Conflict may, however, be defined as a situation in which there is a breakdown in decision making owing to irrational and / or incompatible stand taken by one or all parties concerned with decision-making.

Characteristics of Conflict

- i. Conflict leads to disruption or impairing the work of the organization.
- ii. Conflict is the function of opposite views held by the parties to dispute. Even a rational stand by one party becomes incompatible to the irrational stand taken by another party. The situation becomes all the more vulnerable, when both parties stick to their respective irrational stand.
- iii. Breakdown in decision-making is consequence of incompatibility in the behaviour of the parties to a certain situation existing in the organization.

There may be three main classes of conflict phenomena

- i. Individual conflict i.e. conflict in individual decision-making.
- ii. Organizational conflict i.e. individual or group conflict within an organization. This may also be called intra-organizational conflict and
- iii. Inter-organizational conflict i.e. conflict between the two organizations.

9.2 INDIVIDUAL CONFLICT

Conflict arises within an individual wherever his drives and motives are blocked or he is confronted with competing roles and goals and he is unable to take decisions. Conflict in the individual is caused by:

9.2.1 Unacceptability

An individual knows different alternatives. He knows the pattern of preference. In other words, he knows the probability of each alternative. Since the preferred alternative is

not good and satisfactory to him; he is unable to accept it. Unacceptability is subjective because the alternative unacceptable to one may be acceptable to another. It is relevant to state that, when conflict is perceived, it could be reduced by generating motivation. When the alternative is unacceptable to the individual, he will search for new alternatives. His search for acceptable alternative continues. In spite of best of efforts if he comes across with an acceptable alternative, he may have to revise the basis of unacceptabilities.

9.2.2 Incomparability

The individual knows the probability of distribution of the alternatives but he is unable to take decision because the outcomes are incomparable. When the results are not comparable, no decision could be taken. Similarly, an individual is also unable to make proper comparison of the alternatives. Comparison requires clarity, technique of comparison including assigning weights to different components, rationality in attitude and behaviour and the competence to perform the task. The procedure of comparison depends also on the clarity and decisiveness of the individual regarding the minimum standard of achievement. If the individual has a vacillating attitude without much clarity as to the expectancy, he will not be able to make comparison. The state of incomparability causes lot of tension and conflict to the individual.

9.2.3 Uncertainty

Uncertainty is about the alternative to the environments operating within and without the organization. If the environments could be properly predicted, the behaviour of the people regarding acceptability of the alternative and efficiency of the alternative in such situation could be ascertained with certainty. In a state of uncertainty, the individual feels frustrated which is ultimately reflected in conflict. The element of uncertainty may be reduced with the quantum of past experience in decision situation. Further, lesser the complexity in the decision situation more the likelihood of reduction in uncertainty.

Individual conflict arises due to:

i. Frustration

When motivated drives of an individual are blocked before reaching the goal, it causes frustration.

Frustration may be stated as the highest level of dissatisfaction, which generates conflict in the individual. The blocks which impede the course of reaching the goal may either be overt (outward or physical) or covert (inward, mental or socio psychological). Frustration leads to defence mechanism which has been broadly classified under four heads.

- a. aggression,
- b. withdrawal,
- c. fixation and
- d. compromise.

ii. Goal conflict

When an individual is unable to take decision about the goal to be achieved either due to positive and negative features existing in the goals or the existence of two or more competing goals, it causes lot of conflict in the individual. In the context three types of goal conflicts have been identified as:

- a. **Approach:** It is a situation, which arises when an individual approaches two or more positive but equally exclusive goals. He cannot make choice as to which one is better of the two. For instance, a person has two equally attractive jobs. It is a difficult task to make a choice by the person. This problem could be solved with the help of Leon Festinger's well-known theory of "cognitive dissonance". Dissonance means psychological discomfort or conflict. The individual may reduce dissonance by cognition of a job which is decidedly better than the other. Once he is convinced

that job is the right choice, he would avoid all evidence to argument, which may go to change his opinion.

- b. Approach avoidance conflict:** It is a situation in which a single goal has both the positive as well as negative characteristics. He is motivated to approach the goal because of the positive characteristics, but simultaneously impelled to avoid it because of the negative characteristics. In this approach the conflict is at the maximum when the approach avoidance curves meet each other.

The decision could be taken to resolve the conflict by looking at the gradients of avoidance and approach elements. If the gradient of any of them is steeper beyond the equilibrium point "K", it means the other one will be over it. Hence the goal is accepted because the approach gradient having positive elements is less steep and is above the avoidance gradient having negative element. In figure (b) the goal is avoided because beyond equilibrium the gradient of approach is steeper than the avoidance. In other words, avoidance out weights approach, hence the goal is rejected.

- c. Avoidance:** Avoidance is a situation in which the individual is motivated to avoid two or more independent goals having negative elements. It is more like the approach- approach but with a difference. Ordinarily if both the goals are negative it is comparatively easier to resolve conflict by avoiding both of them. Conversely, in certain situations, the person cannot avoid both the goals. In such a situation, the goal having comparatively lesser negative element may be retained and the other abandoned.

iii. Role conflict

Every individual plays a number of roles in social and organizational situation. In a social settings, he plays the role of a father, a son, a husband, a brother, a neighbour etc. There ought to be variation in these roles, which are different from one another. A conflict arises when his individual expectations are different from others while playing the role. e.g. A person playing the role of a father expects that his son should be obedient, respectful and submissive. But, when he plays the role of a son in relation to his father, his expectations are entirely different. He wants to be assertive, independent and choosy in obeying or not obeying the command of his father. This causes role conflict.

When a person is playing a role and the expectations are different by others, role conflict arises.

Role conflict depends on :

- a awareness of role conflict,
- b. acceptance of conflicting job pressures,
- c. ability to tolerate stress, and
- d. general personality make up.

Role conflict may be resolved, apart from the factors enumerated above, by an individual by playing the role according to conviction and the norms of justice and fairplay. He will play the role in accordance with standardized and objective pattern of expectation in relation to himself and by others.

9.3 ORGANIZATION CONFLICT

It may be discussed under two heads.

9.3.1 Interpersonal conflict

Organization is composed of individuals and groups operating at different levels. The conflict arises between individual and individual that has been described as "Johari Windows" by Joseph Luft and Harry Inghan. The "Johari Window" has the following four cells:

Open Self	Hidden Self
Blind Self	Undiscovered Self

The intersection among individuals depends to a large extent on the four cells. Under the open self, the person knows about himself and others. In this state, the individual knows about the reaction of the other while dealing with him. He is clear about himself also. Hence, the problems of uncertainty, incomparability and unacceptability could be avoided. Hidden self is a situation in which the person knows about himself but does not know about the other. The other has kept his feelings, attitudes and reactions hidden with the result that the potential of interpersonal conflict increases. Blind self is a situation in which the person knows about the other but does not know about himself. Consequently, the person may inadvertently, by his acts and expression of views, cause irritation to the other, which may ultimately lead to interpersonal conflict.

Undiscovered self is a highly vulnerable situation in which the person neither knows about himself nor about the other. Hence, the chances of interpersonal conflict are the highest.

Resolution of Interpersonal conflict

Following strategies have been identified by Alan C. Filley, Robert J. House and Steven Kerr and are described as:

- a. **Lose - lose:** "Lose - lose" is that approach in which both the parties lose. One of the common forms of strategy is the compromise decision in which both parties leave their stand and relent to a commonly acceptable formula. The next situation may be that, one party may be paid off to leave his stand. The other approach may be use of an outsider, the arbitrator, to settle the dispute between the parties. Finally, he may resolve the conflict within prescribed rules and procedures in which both may be required to lose. Lose - lose strategies is based on the premise that some sort of compromise could be struck in which both leave the stands taken by them so that one is not a victor and the other the vanquished.
- b. **Win-lose:** "Win lose" is the strategy that creates a highly competitive type of situation. In this situation, both the parties try to marshal all forces to register a win against his opponent. In this race, rationality is side tracked and emotions dominate. Emotions are so surcharged that the parties to the conflict may go to any extent to secure victory over the opponent. This type of strategy is more prevalent in superior-subordinate relationship, line staff conflict and union management relations.
- c. **Win - win:** "Win - win" is the strategy, which is like "I am OK and you are OK". It is based on rationality of thinking and maturity in behaviour on the part of the conflicting parties. It may take the functional aspect of win - lose strategy. In this strategy, the needs of both the parties are met and both feel satisfied. Win win decision strategies are associated with better judgements, favourable organization experience and more favourable bargains".

This strategy may be stated as the ideal, and should be strived by management in resolving interpersonal conflict.

9.3.2 Inter-Group conflict

It may be stated in the sense of organizational conflict. Causes for inter-group conflict may be summarized under four heads:

- i. absence of joint decision-making
- ii. difference in goals
- iii. difference in perception and
- iv. difference in goals as well as perception

Organization is comprising of different groups. Each group will put its urgency for having maximum share in the limited resources and press for the acceptance of its own time schedule for the performance of a task. If the wishes of a group in respect of resources and schedule are accepted, justice cannot be done to other groups, which will ultimately lead to organizational ineffectiveness. Joint decision-making is the only solution to resolve the conflict. The conflicting parties may sit together and discuss their own needs in the overall organizational perspective.

Difference in goals arises due to following considerations:

- i. Elements, which affect the commonality within the organization such as heterogeneity in groups.
- ii. Factors that affect the clarity and consistency of reward structure and.
- iii. Factors which affect comparability of reward structure.

Differences in perception causing inter group conflict arise as a result of—

- i. Members having different sources of information.
- ii. Different techniques of processing the information,
- iii. Different time horizons and
- iv. Difference in goals.

Resolutions of Inter Group conflict

- i. Solving the conflict through intervention and non-intervention approaches.
- ii. Reducing negative consequences of conflict,
- iii. Preventing inter-group conflict.

The conflict may be solved by resorting to intervention and non - intervention approaches. The non - intervention approach is that approach in which administrators and managers do not intervene an account of two reasons –

- i. they are uncertain about the possible consequences and
- ii. they do not want that conflict to exist in the organization. Consequently, they ignore the group conflict in the beginning. When this does not work, it is appropriate that the parties to conflict confront themselves and resolve the conflict without management. The process adopted by the parties to the conflict may fall under four major categories:

i. Problem solving:

It may be successful through the agreement on a common goal. Once the goal is agreed to, the alternatives could be worked out with reference to the agreed goal. When the common goal is not agreed, the parties may be persuaded to adopt such flexible group sub-goals that they could be changed for achieving larger organizational objectives.

ii. Persuasion:

“Persuasion and appeals to reason are abandoned in favor of compromise, threats, bluffs, gamesmanship and “ side payments”. In the event of failure of persuasion, bargaining may be resorted to.

iii. Bargaining:

Bargaining may be stated as the process of give and take between the parties to conflict. Both parties agree to give in exchange for taking something. Sometimes, threats help in striking a bargain, e.g. In one university, the student's threat to boycott examinations lead to striking the bargain of postponement of examination.

iv. Politics:

When both the parties take stiff attitude towards their respective goals and even outside interference is not able to alert win lose strategy, then the only alternative may be lose - lose. This is politics. In labour management conflict, when a strike

takes place or a lockout is resorted to, the management loses profit and the labour wages.

The intervention sometimes becomes inevitable for the management. The intervention strategies may be of three types: -

- a. Dealing with the symptoms of conflict.
- b. Attempting to settle the conflict and
- c. Seeking to eliminate the sources of conflict.

Dealing with symptoms involves two methods –

- a. Smoothing over it. Conflicting parties may be given rewards or incentives to control conflict and avoid open clashes and
- b. Repressing conflict or the use of coercive power. It means that the parties to the conflict may be given so much work that they do not have time to fight each other:

The negative consequences of the conflict may be reduced by

- a. Increasing inter-group contacts.
- b. Promoting contacts and negotiations between leaders.
- c. Propaganda.
- d. Distraction

All these tactics are instructively appealing but are relatively ineffective.

Inter-group conflicts could be prevented by establishing clear, operational goals of the organization. These goals will take away group's energy from conflict towards achievement of these goals. In the process they will develop mutual co-operation. They may also be prevented through better communications and interactions between the groups. In this process, there ought to be rotation of members in the group so that they could experience the problems themselves and take suitable steps to prevent them. Healthy competition among groups may also prevent conflict.

Check your Progress - 9.3

1) Identify the causes of Individual conflict.

.....

2) Identify the causes of organizational conflict.

.....

9.4 TYPES OF ORGANIZATIONAL CONFLICT

Litterer has suggested four causes of Organizational Conflict. They are:

- i. Incompatible means or incompatible resource allocations among individuals, groups or departments.
- ii. Incompatible goal situation.
- iii. Problem of status incongruities and
- iv. Difference in perception

Structurally, OC could be divided under four heads.

- i. Hierarchical conflict
- ii. Functional conflict

- iii. Line staff conflict
- iv. Format informal conflict

Hierarchical conflict is that conflict which exists among different levels of organization, e.g. The level of top management may conflict with the level of middle management. When conflict exists between various functional departments of the organization, it is called functional conflict, e.g., The production department is in conflict with the marketing department.

Line staff conflict may be stated as the conflict between members of line and members of staff. Since the members of staff do not have any authority over the persons in line, conflict is generated.

Where the conflict exists between the formal and informal organizations, it is known as formal informal conflict. Letterer has suggested three basic strategies to reduce organizational conflict,

- i. Buffers may be erected between conflicting parties. It has been described in the study of restaurant industry by White.
- ii. The organizational development techniques may help the parties to conflict to develop better insights into themselves and others.
- iii. Redesigning of organizational structure so as to reduce the conflict.

9.4.1 Causes of Conflict

The causes of conflict within an organization may be divided under the following heads:

i. Interdependence among departments and groups.

Whereas interdependent is the genesis of the modern systems approach, it causes conflicts more often among departments and groups. Mutual interdependence causes conflict when resources are limited within the organization. With limited resources every department or group wants to project its need as indispensable.

The department or the group which manages greater share by manipulation, causes dissatisfaction in the department, which may have been deprived of even its legitimate needs. It is not possible to evolve a foolproof method of distributing equally or even equitably the limited resources of the organization in the form of money, personnel and equipment among different departments of organizations. Hence, conflict will automatically arise till the resource position improves. As the dependence on the resources increases, the incidence of conflict is ought increase unchecked. The other source of conflict is the interdependence in timing of the activities. Sometimes, the performance of one department / group depends on the completion of the task by another department / group within the schedule. If one fails to complete the task in time, the other department cannot start and complete its activities. Time is also limited at the hands of individuals. Within the limited time factor, different activities are expected to be performed within the time constraint. The root cause of conflict is interdependence, which occurs due to specialization. Greater specialization, greater the interdependence and greater causes of conflict internally within the organization. The conflict arising out of specialization becomes all the more acute if the external environments are not properly predicted.

ii. Difference in Goals

Difference in goals among different sub-units or departments may cause conflict. This difference among sub unit-goals is related to four characteristics of the organizations:

- a. mutual dependence on limited resources.
- b. competitive reward systems.
- c. differences in individual goals and
- d. differences in organizational operating goals.

When resources are limited and the operating level workers demand high wages, a conflict may arise between the operating force and the management. The management considers the demand as illegitimate and untimely in the context of the resource constraint. Competitive reward system also generates conflict among different units and groups. Any group, which presses hard, and succeeds in getting it, will cause conflict among other member of the group.

Difference in individual goals also brings in conflict in the organization. Persons having heterogeneous individuals depending on their different life styles, socio political background and attitudinal developments are apt to have differing individual goals. This difference is manifested even in the departmental or group goals. No uniformity could be arrived at on account of latent heterogeneity.

Inter-group conflict also arises when operational goals of the organization are not objectively and clearly laid down. The conflicting groups justify their differences on the alibi of subjectivity in operational goals. It enjoys on the planners to lay down even the operation goals specifically and objectively.

iii. Differences in Perceptions

Perceptions may be stated as the process of receiving information through different senses which is interpreted and put in an organized pattern on the basis of past experience. Perception is a psychological element of human personality, which depends on the information and communication system on one hand and the personality development of the people on the other. Personality, having psycho – physical elements, is cast in the world of the environments in which the person has been brought up. Hence, different people and groups have different perceptions about certain events and activities in the organization. People having perception of callous attitude towards work are apt to conflict with people having perception of work as worship. Perception also depends on the source of flow of information. Time horizon also contributes to difference in perceptions. Difference in the time horizon is also related to position occupied by the person in the organization and the tasks performed by people in different units, sections and departments.

Inter-group conflicts in organizations arise on account of three important characteristics of modern organizations.

They are

- i. Interdependence
- ii. Differences in goals and
- iii. Differences in perceptions among the groups in the organization.

9.4.2 Other sources of conflict

They include

i. One way task dependence

One way instead of mutual task dependence increases the potential of conflict between individuals, groups, and units in the organization. One way dependence means imbalance in power. The group having power will be dominant and will have little incentive to co-operate with the subordinate group. Conflict between groups remains contained so long as the power balance is maintained. Whenever the imbalance occurs, conflicts arise. Generally, the subordinate department is forced to complete the incomplete task left by the dominant department.

ii. High Horizontal differentiation

Differing time perspectives of different groups lead to conflict between the units and the departments. “High Horizontal differentiation leads to different goals, time orientations and management philosophies between units”.

iii. Low formalization

Formalization in the form of rules and regulations standardizes the pattern of behaviour of individuals. The roles of individuals and units are well defined in unmistakable terms, which reduce the chances of conflict. Conversely, when formalization is at low level, the chances of disputes over roles, functions and jurisdiction are less.

iv. Differences in Evaluation criteria and Reward systems

Difference in the criteria for evaluation exists even within a business organization. Production is rewarded for fewer runs whereas sales is complemented for the speed which entails a large number of runs. This shows that the criterion of evaluation is different in two departments of the same organization.

v. Status Incongruence

Status in an organization is determined in relation to pay, education, competence and hierarchy of status in an organization. Whenever there is any incongruence between the status and the role assigned to him in any organization, conflict is apt to rise.

vi. Role Dissatisfaction

When a person having competence and choice for a certain role is assigned a different role and the role of his preference is assigned to a different person, the conflict is bound to occur. This will also provide status incongruence, which may be one of the many factors, which generate dissatisfaction among the individuals and groups. All these factors lead to conflict in an organization.

9.5 INTEGRATION

The cleavage contained in the organizational order may be plugged by the integration of individuals and groups operating in an organization. The inter and intra group tensions may at least be partially avoided if individuals and groups are guaranteed legitimate autonomy within the organizational system. It means the existence of power among groups or within the group conflict arises whenever the balance is distributed. Consequently, the legitimate autonomy will automatically forge the process of integration among groups on the basis of reciprocity and equality. Integration could better be forged when the conflicting parties are forced to subordinate their respective goals and strive to achieve the common goal of the organization.

DIFFUSION

Diffusion is a process of secularization of individual thoughts and action through interaction and communication. It makes the beginning of “de-individualizing” process through the technique of “de-freezing” of the status quo. Constant interaction of individuals and groups transforms their individual and the circum-bound island of thinking and behaviour. Once the island mixes with others, it gets influenced by others in the same manner as it influences others. Such a reciprocal exchange of influence is apt to secularize their thinking and behaviour. Individual will have a change of self-introspection and self-discipline. It is helpful to him as it will reduce the degree of individual conflict. With the improvement in the functioning of different groups, chances of inter-group conflict will automatically be reduced.

The diffusion process ought to be a continuous exercise, which may be put in constant operation by the conflict manager. He has to organize a two way traffic to make the thinking of groups more secular and accommodation behaviour rational, pragmatic and reciprocal.

COMPLEMENTARILY

Each individual or group cannot afford to be so independent and autonomous that they could achieve organizational objective by themselves. They are the parts of the organization system in which each is equally indispensable and valuable.

The absence of one will hamper the functioning of the whole system. Hence, a bridge of dependence shall have to be created among individuals and groups by convincing them of their phony claims of independence and indispensability. For this purpose, the conflict manager has to create an atmosphere in which individuals and groups get an opportunity to interact, to understand and derive help from each other in the organization.

Saran's harmony model operates with instrument of effective communication system. Lack of communication is the basic cause of more than 50% conflicts existing in an

organization. It welds the individuals to get adjusted in organizational culture. Communication leads to establishment of orderliness within the group through the process of perception which involves habit formation, mental make up. Symbolism which includes words, gestures, signs and objects; also helps in conceptual leaving which brings in consciousness to effect harmony through the process of inter-stimulation and a sense of consciousness in which any being, whether low or high in the scale of life, recognizes another conscious being as of like kind itself.

9.6 OTHER RESOLUTION TECHNOLOGIES

Other resolution techniques may be classified under three broad heads:

i. Behavioural

Most problems in the organization revolve round human beings. If the course of action is incompatible to the expected result in the form of goal realization, the individual is apt to discard unless he is assured and satisfied by the organization. Similarly, if the outcome is uncertain, how can that alternative be accepted?

Perceived conflict is the function of subjective uncertainty of alternatives, subjective incomparability and subjective unacceptability of the alternatives. The perceived conflict may be reduced through motivation. Efforts should be made to remove blocks coming in the way of motivation so that the frustration does not dominate the individual. Motivation will lead to search for new alternatives, evaluation of new alternatives. In the meantime, the repeated failure to search for the acceptable alternative may convince the individual due to time pressure to accept the alternative. However, the efforts may be made to clarify the factors in favour of the alternative. If all these efforts fail, then the alternative most acceptable may have to be selected. The evoked alternative ought to be good enough to be accepted.

Goal is another source of conflict to an individual where competing goals exist; this causes lot of conflict to the individual because he is not to take appropriate decision. Three separate types of goal conflicts have been identified. They are:

a. Approach conflict:

When an individual is faced with two or more positive but equally independent goals, making a correct choice is quite difficult. This may be resolved by taking a positive decision in favour of one, which is considered best. For this purpose, the goal that is left by him will give less "dissonance" or psychological discomfort.

b. Approach avoidance conflict:

It is that situation in which the individual wants to approach that goal because of positive aspect but also wants to avoid the goal because of negative element. Such a situation may create lot of frustration in the individual which results in conflict within the individual. In the approach avoidance situation, the gradients of the two situations:

- avoidance
- approach

have to be taken into account whichever gradient is to steep, the "cognitive dissonance" or the psychological discomfort felt by the individual is more laden with negative elements, hence it may be avoided as it will take the individual away from the goal to be achieved by him.

c. Avoidance - avoidance conflict:

It is a situation where the individual is motivated to avoid two or more negative mutually independent goals. The conflict may be resolved if he decides to leave both such goals because he feels that, they will cause more anxiety and problem to him than doing any good to him.

The manager of conflict can help the individual in resolving conflict even in the situations of approach avoidance and avoidance - avoidance. He is capable of playing his role and assisting the individual in an effective manner in a situation of approach approach conflict.

Role conflict is a part and parcel of individual behaviour. Every person plays different roles at different times, as he is superior to some and subordinate to another. During this course, he has to play different roles within the set norms and bounds.

The inter role conflict may be resolved by not allowing the boundaries of the two roles to overlap each other. Sometimes, intra - role conflicts also occur, e.g. The role of the supervisor more often creates conflicts in the supervisor. The workers feel that he is one of them because he is in constant contact with them; the management feels that he is the management's man to regulate the working of the operating force. Since the expectations of workers may be different from the management, a conflict arises in the role of the supervisor. This conflict may however be resolved if the manager perceives the role of supervisor in correct perspective and he is advised to function rationally and independently to take decisions or merit without favouring one party or the other. Interpersonal conflict i.e. conflict between individuals also falls within behavioural area. Resolution techniques have been described under three heads:

- *Lose - lose*: It is a highly negative form of resolution, which may serve no purpose.
- *Win - lose*: It will lead to the victory of one and the defeat of another. The person defeated in the race will continue to nourish more enmity and at right movement he will like to hit back. Hence, win lose technique will be a source of preparation of the conflict rather than resolving it.
- *Win - Win*: It is the only viable solution to the conflict.

ii. **Structural**

Organizational structure is also the source of conflict within the organization. The conflict may arise due to:

- a. Heterogeneity among members
- b. Incongruence in status hierarchy
- c. Role dissatisfaction
- d. Low formalization
- e. The system of decision making and
- f. Merging conflicting units

In every organization, heterogeneity among members exists owing to background, value system, education, age and social pattern, weakens the bond of interpersonal action. The effect of heterogeneity keeps on diminishing with the length of service in the organization and with the passage of time, greater secularization of belief and value system, the chances of conflict are reduced.

Organization conflicts also occur due to incongruence of status among different units or departments. If the status of one unit is reduced over time, it leads to tension with others. This could be rectified if all the units and / or departments are treated equally as the goal of organization is not achievable. For this, the manager should mend his organizational structure in such a manner that, each department is equally important and the interdependence among units is more or less equal so that one does not consider oneself more powerful and strong than other i.e. a balance is maintained in the interdependence.

Role assigned to individuals and departments may not be to their liking. They wanted some other role but the same has been assigned to other members. Hence, resolution is possible if role dissatisfaction is reduced as much as possible.

Conflicts among the departments or units arise whenever the formal authority ceases to exercise any control. Hence, resolution of conflict may be possible through effective formal authority of the manager.

System of decision-making also helps in resolving conflict. In the decision making process, if one unit or department has an edge over the other, this should be avoided by the manager. Every department should be endowed with equal opportunity to all the units and departments.

Sometimes, conflict is also resolved if the conflicting units are merged into one single unit.

Scarcity of resources leads to inter-departmental conflict. Within the limited kitty, every department tries to grab as much resources as possible. The conflict may be removed in two ways:

- i. Resources should be equitably distributed among departments according to the objective assessment of their needs over the time and
- ii. The quantum of resources ought to be increased by the manager so that the legitimate needs of the departments are fulfilled. Other resolution techniques may be mutual problem solving appeal system and proper communication system.

Check your Progress – 9.6

1) What are the types of organizational conflict?

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2) List any 2 conflict resolution technologies.

.....

3) What is diffusion?

.....

9.7 SUMMARY

Conflict management skills are key to management success. The manager’s task is to stimulate functional conflict and prevent or resolve dysfunctional conflict. This conflict arises from Individual.

Individual conflict arises from frustration, clash in goal attachment and multiple roles needing equal attention. Organizational conflict arises because of Interdependence among departments and groups, difference in goals and differences in perceptions

OB experts have evolved different strategies to resolve each source of conflict. They recommend establishing common goals, changing structural arrangement and different conflict resolution actions.

9.8 CHECK YOUR PROGRESS – ANSWERS

9.3

- 1) Unacceptability, Incomparability, Uncertainty, Frustration
- 2) Interdependence among departments and groups, difference in goals, differences in perception.

9.6

- 1) Hierarchical conflict, functional conflict, Line-staff conflict formal-informal Conflict.
- 2) i. Establishing common goals
 ii Changing structural arrangement.
- 3) Diffusion is a process of secularization of individual thoughts and action through interaction and communication.

9.9 QUESTIONS FOR SELF - STUDY

- 1) What is the concept of organizational conflict? Explain various types of conflicts?
- 2) Explain individual conflict and give source of individual conflict.
- 3) Explain the causes of organizational conflict.
- 4) Describe how conflict can be resolved.

9.10 SUGGESTED READINGS

Organizational Behavior – by Stephen Robins – Prentice Hall Publications

Organizational Behavior – by K. Ashwathappa – Himalaya Publishing

Organizational Behavior – by L. M. Prasad – Sultan Chand Publications

Organizational Behavior – by Suja Nair – Sultan Chand Publications



CASES FOR PRACTICE

1. A Case Study on Leadership

A meeting alert window popped up on Ajay's computer reminding him of his meeting with Sangeeta, his boss. He clicked the snooze button and continued making last minutes changes to the spreadsheet he was working on. He was compiling performance data for his team that would be discussed in the impending meeting. The alert popped up again. Ajay disconnected his laptop and looked for a pen.

Sangeeta beckoned Ajay through the glass door and Ajay walked in her office without waiting. Ajay's team had grown significantly and Sangeeta felt that all projects were not getting due attention. Also not all team members were getting the coaching that Ajay was capable of providing because he was spread too thin.

"I feel you need a Team Leader in your team Ajay. Have you got any suggestions?" Sangeeta started. They had recently discussed the growth of Ajay's team and the related issues.

"Well, Archana and Rahul are the two key players in my team. Both are equally capable." Ajay said as he opened his laptop.

"Who is more capable of leading a team? I understand that both are equally capable of executing projects, but we are really looking for leadership skills here." Sangeeta said.

"Rahul is actually very good in customer communications. His work is also always very good and gets approved in the first round itself. And Archana is equally good. Rahul likes to be sure of what he is planning to do and bounces things off me while Archana goes ahead and takes decisions on her own."

"And are her decisions wrong?" Sangeeta probed.

"Actually she has a good instinct. And she usually backs it up with well thought through strategy." Ajay explained.

"What about the team? Which one of them works better with the team?"

"Rahul is just great with the team. He's a great listener, practically an agony aunt actually. He almost never says anything negative to his team members. The team loves him. Archana's also good with people but she's more task focussed. She shows the team a vision and a goal and then helps them achieve it." Ajay felt good that he had thought through strengths and weaknesses of Rahul and Archana.

"Seems like Archana probably will make a better Team Leader don't you think?" Sangeeta asked.

"Most probably... but Rahul's really good too. I don't think we can ignore him. I wouldn't want to lose him." Ajay was beginning to look worried. He knew Archana was more independent and stronger and more capable leader of the two and yet was worried about what Rahul might feel about reporting to someone who has been his peer.

"Ajay, only one person can be the Team Leader, you know that."

QUESTIONS :

- 1) How do you think Ajay should handle the situation? How should he communicate to Archana and Rahul about the new Team Leader position?
- 2) How will Rahul take the news? What do you think he should do now that he will need to report to his peer?
- 3) How can Archana make Rahul more comfortable as a Team Leader? How can she graduate from the peer relationship to a supervisor relationship?

2. A Case Study on Motivation

Hari Sinha is a Marketing executive with Hardbyte Computer Peripherals Ltd. Hardbyte is a company with 10 years of existence and has a sound product range in computer peripherals. It sells its products at a slightly higher price in the market because of its goodwill for quality. Hari Sinha is one of the best marketing executives of the company and enjoys several company benefits for his excellent performance. Hari's boss Sudhir Pradhan is thoroughly satisfied with his work and likes Hari. Hari on the other hand, likes to sell to institutional buyers rather than small-time domestic customers. Hari also likes to work on challenging customers but not at the cost of wasting too much time on really hard to please ones. He constantly keeps himself focused on the targets to be achieved for the month and tries to reach the maximum. For him, it matters to be ahead in the race of selling and therefore he works very hard and smart. Sudhir has always tried to ensure that Hari is given enough scope to explore the potential customers on his own. He of course, feels a little worried about Hari's attitude towards those marketing executives who sell to small customers. Hari is at times belittling in his attitude towards them and even ridicules their efforts. However, Sudhir has tried to ignore this because of Hari's performance.

Due to the recent slack in the IT industry, Hardbyte's business with corporate customers has dipped. Because of this Sudhir has reallocated the targets to all the marketing executives. However, he knows Hari's fetish for corporate clients too well. But he also knows that Hari will have to be forced to go to small customers for promoting the product. He is aware of the fact that Hari is a man of strong likes and dislikes and hence he is in a fix. He is also apprehensive that if Hari is not given an appropriate assignment then he may even consider leaving his job. Sudhir was fully aware that Hari had no dearth of opportunities. Sudhir knows that the dilemma that he is facing is serious and will have to be resolved suitably.

QUESTIONS :

1. From the above description of Hari's character, what seems to be the key motivator for Hari? According to David McClelland's Needs Theory, what kind of orientation does Hari possess?
 2. What should Sudhir do to motivate Hari and retain him in the organization?
-

3. A Case Study on Organization Structure

Profound Manufacturers is an established producer of rubber products. However, of late, it has been experiencing problems of decreasing revenues and profits, owing to a drastic fall in the demand for their products with the introduction of products made out of a new fiber that minimizes the disadvantages of products made of rubber. The large number of hierarchical levels in its organizational structure delayed the decision making process, which, in turn, resulted in Profound's failure to cope with the rapid changes in the market place. In order to overcome this crisis, the HR manager proposed to flatten the organizational structure, which he thought was essential to make the organisation more responsive to external changes.

QUESTIONS :

1. Is the HR manager right in trying to flatten the organizational structure at Profound Manufacturers?
 2. Discuss the various elements of the organisation that determine the success of the effort to flatten its structure.
 3. Also discuss the benefits that would accrue to Profound if it successfully implements its organizational flattening process.
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4. A Case Study on Perception

Sameer Mehta works for Alpha Pharma Ltd. Alpha Pharma is a 40 year old traditional company which manufactures pharmaceutical products ranging from antibiotics to cough syrups. Sameer is a Medical representative and has to make on an average 10 calls per day to promote the company's products to doctors. He has been working with the company for past 4 years. He is smart employee who has marketed the company's products well. However, Sameer hates if someone were to point his flaws. He has often argued at his performance appraisal with his boss Sudhakar Raut, if it has been critical. Sudhakar finds Sameer to be a difficult person who always expects praise and avoids criticism. Whereas Sameer believes that he has been loyal to the company in the face of offers from the competitors, as well as, he has really worked hard for the company. He strongly believes that Sudhakar should be more encouraging in his approach by praising good work done rather than criticizing him. Sudhakar on the other hand believes in honestly telling the subordinate where he has gone wrong to help him correct himself in the future. He also believes that too much of praise may make an employee self-complacent. Recently Sudhakar was taking stock of Sameer's work for the month and he realized that on an average Sameer has been making approximately 8-9 calls per day instead of making the standard 10 calls per day. From the records, he found that only on 6 occasions Sameer had met the standard of 10 calls per day. So he decided to talk it out to Sameer.

When Sameer met Sudhakar, he was full of apprehension. He expected criticism and hence had prepared his response well in advance. When Sudhakar asked him about the number of calls made during the month, Sameer immediately said that the new product that he was promoting was a product which faced stiff competition in the market. Obviously, because of this he had to spend more time in convincing the medical practitioners. Sudhakar seemed to be in doubt about this. Sameer further added that he had tried to cover doctors spread over a reasonably large geographical area, which made commuting cumbersome. Sudhakar was convinced that Sameer was not prepared to accept any suggestion for improvement and was instead very defensive. Sudhakar closed the meeting by clearly sounding Sameer on the lapse that had been committed during the month and also advised him to be careful in the future. Sameer however thought that Sudhakar was as usual being critical about him and was simply indulging in nit picking.

QUESTIONS:

1. Define the problem posed in this case.
2. If you were in place of Sameer and if you were asked to explain your position what would you do?
3. What advise will you give to Sudhakar to help him change Sameer's perception?

5. A Case Study on Stress Management

Larry Field had a lot of fun in high school. He was a fairly good student, especially in math, he worked harder than most of his friends, and somehow he ended up going steady with Alice Shiflette, class valedictorian. He worked summers for a local surveyor, William Loude, and when he graduated Mr. Loude offered him a job as number-three man on one of his survey crews. The pay wasn't very high, but Larry already was good at the work, and he believed all he needed was a steady job to boost his confidence to ask Alice to marry him. Once he did, events unfolded rapidly. He started work in June, he and Alice were married in October, Alice took a job as a secretary in a local company that made business forms, and a year later they had their first child.

The baby came as something of a shock to Larry. He had come to enjoy the independence his own paycheck gave him every week. Food and rent took up most of it, but he still enjoyed playing basketball a few nights a week with his high school buddies and spending Sunday afternoons on the softball field. When the baby came, however, Larry's brow began to furrow a bit. He was only 20 years old, and he still wasn't making much money. He asked Mr. Loude for a raise and got it his first.

Two months later, one of the crew chiefs quit just when Mr. Loude's crews had more work than they could handle. Mr. Loude hated to turn down work, so he made Larry Field a crew chief, giving his crew some of the old instruments that weren't good enough for the precision work of the top crews, and assigned him the easy title surveys in town. Because it meant a jump in salary, Larry had no choice but to accept the crew chief position. But it scared him. He had never been very ambitious or curious, so he'd paid little attention to the training of his former crew chief. He knew how to run the instruments—the basics, anyway—but every morning he woke up terrified that he would be sent on a job he couldn't handle.

During his first few months as a crew chief, Larry began doing things that his wife thought he had outgrown. He frequently talked so fast that he would stumble over his own words, stammer, turn red in the face, and have to start all over again. He began smoking, too, something he had not done since they had started dating. He told his two crew members that smoking kept his hands from shaking when he was working on an instrument. Neither of them smoked, and when Larry began lighting up in the truck while they were waiting for the rain to stop, they would become resentful and complain that he had no right to ruin their lungs too.

Larry found it particularly hard to adjust to being "boss," especially since one of his workers was getting an engineering degree at night school and both crew members were the same age as he. He felt sure that Alfonso Reyes, the scholar, would take over his position in no time. He kept feeling that Alfonso was looking over his shoulder and began snapping any time they worked close together.

Things were getting tense at home, too. Alice had to give up her full-time day job to take care of the baby, so she had started working nights. They hardly ever saw each other, and it seemed as though her only topic of conversation was how they should move to California or Alaska, where she had heard that surveyors were paid five times what Larry made. Larry knew his wife was dissatisfied with her work and believed her intelligence was being wasted, but he didn't know what he could do about it. He was disconcerted when he realized that drinking and worrying about the next day at work while sitting at home with the baby at night had become a pattern.

QUESTIONS :

1. What signs of stress was Larry Field exhibiting?
2. How was Larry Field trying to cope with his stress? Can you suggest more effective methods?

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