

# **PONDICHERRY UNIVERSITY**

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**DIRECTORATE OF DISTANCE EDUCATION**

## **ORGANISATIONAL BEHAVIOUR**

**(Common to all MBA Programmes)**

**Master of Business Administration  
First year - 1 Semester**



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**ORGANISATIONAL BEHAVIOUR**

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**Unit - I**

Organisational Behaviour: Introduction, Definition, Nature & Scope - Basic Concepts of OB - Individual & Organisational Image and Self Image -self-esteem & self-efficacy- Theoretical constructs and models of Organisational Behaviour.

**Unit - II**

Perception and Learning - Personality and Individual Differences - Motivation and Job Performance - Values, Attitudes and Beliefs - Stress Management

**Unit - III**

Group Dynamics - Leadership - Styles - Approaches - Power and Politics in Organisation

**Unit - IV**

Organisational Structure - Organisational Climate and Culture - Organisational Change and Development.

**Unit - V**

Trends in Organisational Behaviour – Consciousness – Conscience Management – Organisational Vision and Employee alignment with vision- Gender Sensitivity – Competency Level and behavioral Dimensions

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## UNIT – I

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### Lesson 1.1 - Introduction

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#### Objectives

After reading this lesson, you will get curious to learn more about Organisations, and the behaviour of the people in the organisation as this lesson will give you a proper introduction to this amazing study called Organisational Behaviour. You will be able to recognize and understand the importance of learning this branch of study after reading this lesson.

#### Lesson Outline:

- Introduction to OB
- Scope of OB
- Basic Concepts and
- Assumptions of OB

#### Introduction to Organisational Behaviour

Organisational behaviour is an inter-disciplinary study which helps in better understanding of the people working in the organisation. Organisational behaviour relates to various fields like Psychology, Management, Anthropology, Sociology, Ergonomics and Ethics. The study of OB helps in not only understanding others, but will lead you to know more about yourself, resulting in controlling the emotions and behaviour of oneself. This study will give a lot of insights on the self- behaviour through learning the personality, values, belief, attitude and perception.

Organisational behaviour can be defined as the systematic study of the actions and reactions of individuals, groups and subsystems. Simply put, OB is the study of people's behaviour at the work place. It helps in finding meaningful and feasible solutions to the problems arising out of complexity of human nature, particularly with fellow beings.

## **Scope of Organisational Behaviour**

### **Human Resource Approach**

The development of Human Resources in an organisation is essential for the development of organisation itself. The concept of Human capital is gaining momentum day by day and Organisations are accepting the importance of net worth of the Human capital. Human capital can be defined as the potential of an individual employee's skill and knowledge in the area of productivity. The competency and capability of every individual in the organisation counts for its overall productivity and the total worth is calculated as the "Human Capital". A well rounded and developed human capital will give the organisation a competitive advantage in the industrial world. Understanding the importance of the Human capital is the underlying factor for the increased effectiveness in training and development for employees in the organisation. The cost incurred in the development and training of employees is seen as building up of Human Capital. In short, the competency, creativity, innovativeness, knowledge, expertise and skill base of the employees are not only the foundation for success of an organisation, but also a essential quality for growth and sustainability of the organisation.

### **Contingency Approach**

A work place is full of people and people find it difficult to solve conflicts that arise among them. Conflicts are mostly situational and every situation poses a new challenge in solving the conflicts. The people in the organisation, if trained to face the challenges of these complex issues, will come out with their own solutions based on their personality, the other person's personality and the situational needs. They will not wait for the rule book or intervention from a third party like the peers or Superiors.

Every situation that poses a problem is unique and requires a solution that suits well with the problem, not a solution that is based on past events. This is called as contingency approach. Contingency approach is where we accept and understand that there are only better solutions for problems that are unique and situational. It doesn't search for a best solution. Solutions are situational. Contingency approach embraces participative, leadership oriented or even autocratic decision making. Analysis on the consequences of the decision helps in better understanding

for future decision making.

### **Systems Approach**

The systems approach is construct based on the thought that the organisation becomes a meaningful system only when the sub-systems operate in unison. The subsystems in the organisation are inter-related and hence, a decision or solution which fits best for one department may affect the other sections of the organisations. The systems approach addresses this by evolving a frame work for better relationships. If the people's behaviour in the organisation improves towards better relationships, the organisation will become a harmonious workplace, where the morale and productivity will be higher. Systems Approach tries to create such a framework for an amicable work place.

### **Productivity Approach**

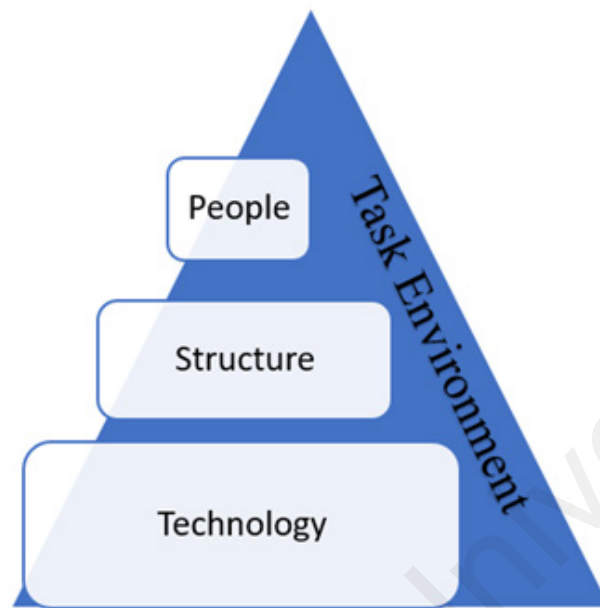
Productivity is the measurement of output volume in proportion to the input volume. The performance of the employees in the organisation is well understood by measuring the productivity. When the behaviour of the employees in the organisation improves, it will elevate the productivity. Proper motivation and the proper receptiveness of the employees towards motivation are important factors for a successful performance management.

### **Basic Concepts of Organisational behaviour**

If we need to understand Organisational Behaviour , we need to have a proper understanding of Organisation and human behaviour. The organisation is the specific place the behaviour of employees is acted out.

According to Kats, Kahn and Leavitt, organisation's open system framework has four major internal components. They are

1. Task Environment
2. People
3. Technology and
4. Structure.



### **Assumptions of Organisational Behaviour**

Organisational behaviour believes that the people in the organisation is more valuable than the other major resources like Machines, Materials and money. Human Resource is expected to be more productive because of its creative efficiency. Hence, Organisational Behavior is more concerned about predicting, analyzing and understanding the employee behaviour in the organization's workplace. OB believes that the improvement of human resource in terms of productivity and efficiency will result proportionately on the Organisational effectiveness.

As any other classical study, Organisational behaviour constructs its theories based on two fundamental assumptions. They are Nature of people and Nature of organization.

### **Nature of People**

To under the behaviour of people in the organisation, it is necessary to understand the behaviour of people when they are not in the organisation. Hence, the nature of the people has to be studied. The assumptions about the nature of the people are as follows:



### **1. Individual Differences**

This assumption is based on the individuality which is different from one person to another. The personality, Physique, Emotions, perception, values, attitudes, beliefs, competency, brilliance, and learning ability are all very unique. Organizational behaviour assumes that all the individuals are differences from each other.

### **2. A Whole Person**

Organizational behaviour assumes that an individual is a whole person. He/ she cannot act as a different person in the workplace. He/ she is the same personality with his attitudes, values and beliefs that is in his personal life. He/ she cannot change his basic traits to suit the work place.

### **3. Selective Perception**

Perception is how the individual wants to interpret things. It is individual's own view. Perception is a process by which individuals organize and interpret their sensory impressions in order to give meaning to the environment (Robbins, 1997). It is said that "People see what they want to see and people hear only what they want to hear". The meaning is, even though we see and hear many things continuously our brain perceives only what we wish to see and hear, Other things will not get registered or they will not be interpreted. The effort to understand / see/ hear anything is based on the individuality.

### **4. Motivated Behaviour**

Motivation is the basic drive that gives the willingness and strength to do things. Say for example, hunger is a very big motivation, it is the magic that makes living things exist and evolve, that makes them to move from one place to other, to find something to feed themselves. As in Organisational Behaviour, Motivation is the willingness to achieve the goals – Individual as well as Organisational. The leaders and managers who understood the art of motivation can get enhanced performance from their employees for sure.

## **5. *Value of the Person***

The fifth assumption of Organisational Behaviour is that the employees are valuable assets. They cannot be treated on par with the other resources of the organisation like Money, Material and Machines. These three “M” s will not expect to be treated with respect or dignity. These M’s will not ask or demand anything from the employer. But, people do.

## **6. *Desire for Involvement***

Individuals have desire to get involved and engaged in their work and the work place. Human get satisfaction when they are able to showcase their creativity and achievement. The space they get in the workplace to nurture their creativity, utilise their skill set, knowledge and care is essential to perform better.

## **Nature of Organization**

### **1. *Social System***

Even though the business are run by individual people, and a lot of individuals work in that organisation, at the end of the day, they all are part of the society. The organisation is placed in the society. Thus, Organizations are part of the social system. The rules and regulations, cultural practices, Law of the state are all applicable to the organisations. Society has a set of systematic laws – emotional, psychological, biological and so many others. All these are directly or indirectly effects the Organizations. Hence, Organisational behaviour assumes that organizations are open social system. This has effect on both the organisation as well as the individual behaviour.

### **2. *Mutuality of Interest***

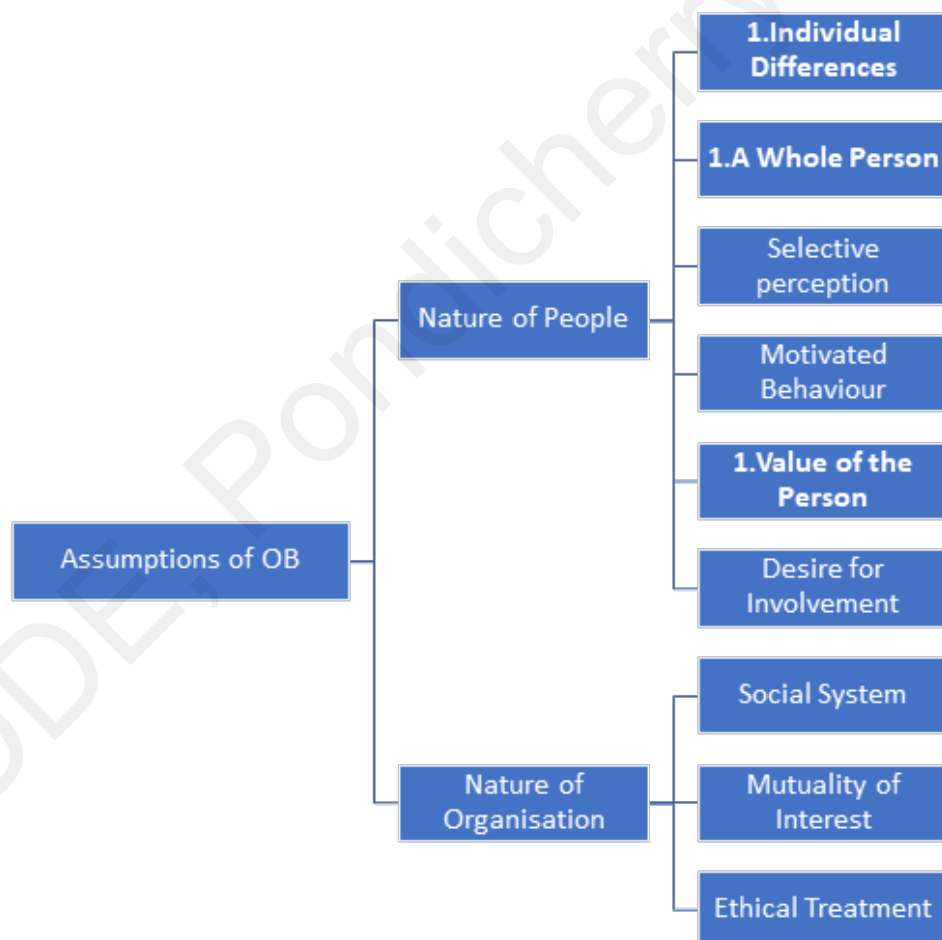
Organizational behavior assumes mutuality of individual and organization interests. Organisation is run by people, organisation needs people. On the other hand, people also need organisations. The interest is mutual. Hence, Organisational Behaviour assumes that both parties are interested to continue their relationship and work towards resolving conflicts and their behaviour will be based on this mutual interest.

### 3. *Ethical Treatment*

Perceiving an issue as right or wrong is based on the individuality – the values and morals the individual believes in. Hence, Ethics, which involves the status of right or wrong is purely different from person to person. The society and its social standard of ethics the person lives in strongly influences the ethical standard of that person.

Hence, the employees will deal the work place issues with the same set of ethical belief and their ethical beliefs will elicit their behaviour in the work place.

Hence, Organisation behaviour assumes that the Ethical belief set the person has will match with or collide with the Organisational Ethical beliefs.



**Review Question**

1. Define Organisation Behaviour
2. Explain why the study of OB is important for Managers
3. Explain the basic assumptions of OB with suitable examples

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## Lesson 1.2 - Self Image and Self Esteem

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### Objectives

After reading this lesson, you will be able to understand the concept of Images and its importance. This lesson will give you a chance to see through the self-image, Organisational Image and the affect and effect on each other. You will also be able to understand the concepts of Self-esteem and self-Efficacy.

### Lesson Outline:

- Individual Image and Organisational Image
- Self- Image
- Self Esteem
- Self-Efficacy

### Images

Images are the visual representation. It is as simple as that. But the complexity of images enters when the perception of every individual is unique. The images we create and perceive are different from the other image created by the other person. As we all live in a socially constricted world, especially with the social media's gigantic hands holding the mobile phones in front of us 24/7, the concept of Image is thickening day by day. People are constantly worried and checking on how they are perceived by the world and what is their image. The usage of the word "world" here is not exaggerated, but we all know it is true in the present day.

Hence, the behaviour of a person is affected obviously by the Individual's Self-Image and Organisational Image he/she works with, because as a whole picture the image of both entities affect each other.

### Individual Image and Organisational Image

Self-image is the personal view that we have of ourselves. It is often perceived as visual images with color of emotions one attach to the picture.

Self-image is like an internal dictionary one has to find meaning for their traits, behaviour and characteristics. It is often added up with adjectives to be more meaningful, adjectives which has some relevance to the social norms. These adjectives such as caring or selfish, beautiful or ugly, kind or evil tend to change or adjust as per the emotions that the individual experience in that moment.

Organisational Image refers to the impression of an organisation on other people's mind. It is the belief and knowledge of the people that they have on the organisation. In other words "Organisation image is the perceptions that different people hold on the organisation". Such perceptions are outcome of various inputs provided intentionally or unintentionally by the Organisation. Some perceptions derive from the individual experiences and others are through the marketing and communication activities done by the organisation to improve the image of the organisation.

### *Organisational Image*



Organisation Image is important because it is how the stake holders relate to the organisation and the relationship with the stake holders such as the employees, shareholders, Government Agencies, Suppliers, Customers/ Consumers – depends on the image of the organisation.

External stake holders expects that Organisational image to be pure – transparent and clarity in other words. They want the organisation

to have a definite stand on what they believe in. On the other hand, the Internal stake holders look at the organisation with its culture as the back drop. The Heritage and identity of the organisation are part of the image that is more important to the employees.

The construct of organizational image is developed in close interrelationship with other constructs, such as organizational identity, organizational culture, corporate branding, and corporate reputation. This development emerges from the growing overlap between internal and external constituencies and the difficulties organizations face when trying to compartmentalize their activities.

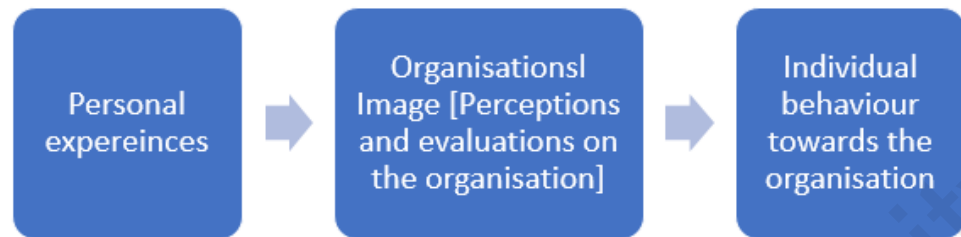
Also, the organisational Image is not only the external exhibit of the organisation what the organisation wants to show case to public. It is more than that. We need to have a holistic approach to see the full image of the organisation which includes the external displays such as the

- Contracts and agreements with other parties
- Conduct and ethical code for the organisation
- Treatment of employees
- Fair trade concept
- Treatment of other stake holders such as suppliers and customers'
- Strategies for achievement of goal
- Interaction with the Government agencies

Thus, the Organisational image consists of impressions and evaluations in relation to the organisation as a whole. The individual behaviour is affected by the Organisational image as it acts as an motivation or an incentive for the various types of attitudes that are displayed by the individuals towards the organisation. The Organisational image also influences the climate of the organisation and thus has an effect on the decisions taken by the individuals.

In addition to the attitudes, social norms, past experiences, habits and interventions of the individual acts as behavioral determinants. Thus, we can understand that the Organisational image influences the perception of the people. For example, if a young person is looking for job and reads a recruitment advertisement of a company, the image of the organisation will flash in his mind and based on that image he will

perceive the advertisement – positive or negative – and his decision to apply for that job will get affected by his perception.



On the other hand the individual self-image of the person will also act as a behavioral determinant and his decision making will include the possibility of him getting accepted or rejected for the job, whether he is qualified or over qualified or under qualified for the job etc.,

Behavioral change is a function of the expectations on the outcome and the self-image of the person is the key to bring that outcome expectation based on his skill and his belief on his skills. Hence, there are more factors in addition to Organisational image, which affects the employee behaviour. The influence of the Organisational image is based on its power of display and depth. When the image is more transparent, it looks stronger and deeper. The behaviour of the employee is more effected if the image of the organisation is stronger.

### **Different Meaning of Organisational Image**

#### **1. Organisational Image as the vision of the Company:**

When an organisation relates its image to the vision and mission of the company, it means the image represents a desired image in future but not the present situation of the organisation. It depicts to the people what the company is aiming for and what place it anticipates for itself in the society.

#### **2. Organisational Image as an Instrument of Management:**

In this approach, the image of the organisation is built with agendas, and thus used to control and monitor the employees and other stake holders. According to Birkit, Stadler and Funck, the identity of the



organisation is strategically planned and operatively applied concept and attitude of a company, both internal and external, based on an established corporate philosophy, long term corporate goals and a defined required image. Thus the organisational image acts as an instrument of Management.

### **3. Organisational Image as an effect on the public:**

According to Margulies, the image of the organisation means the sum of all the ways a company chooses to identify itself to all its public. The public perception of the company's image is more important to retain the profit orientation.

### **4. Organisational Image as the total of characteristic properties**

The image of an organisation is that which makes the organisation stand out in the crowd. The distinction of the company from other counterparts is a measure of success in branding and other unique capabilities of the company. The mixture of talent, knowledge, skills, technology, resources and financial stability distinguish the company and determines its ability to create an image with value in proprietary ways. Downey describes organizational identity as "the fundamental style, quality, character and personality of the organisation, those forces which define, motivate and embody it; its unique history, business management style, communication policies and practices, nomenclature and competitive distinction".

### **Self-Theory**

We always love the words "I", "ME". It is the love for the Self, that drives us to strive through hardships, to keep ourselves safe, happy and peaceful. The self -theory of personality is very important in the study of Organisational Behaviour, because it is what that decides the behaviour of the person, the decisions he make in the organisation and the consequences and the results that arise out of his decisions. The interrelated components of self-concept are

- physical self
- emotional self
- social self and

- intellectual self

These components are separate but still inter-related and works together for any individual self-concept.

## **Types of Self-Image**

### **1. Self- image**

The image of an individual perceived by himself is the self-image. It is what he believes to be himself. There are different beliefs such as who he is, who he was, who he could be, who he wants to be. When these beliefs are put together like pieces of puzzle, the self-image appears. This self-identity determines the attitudes and behaviour of the person. The proportions of depth of answers for the questions on his belief on himself decides the attitudes and behaviour for a particular situation.

### **2. Ideal Self**

It is the image created by the person based on how he like to be. While the self-image is all about reality, present situations and the image perceived by the society, the ideal -self is about the ideal situation. Ideal position perceived by the individual. This gap between the reality and what he would like him to be are two different characteristics of the self-image. The attitudes and behaviour changes based on this belief and the process of change is hindered/ motivated by the various external factors and the support systems of the society.

### **3. Looking glass self**

This is about the perception of the person on how the society is looking at him. It is not necessary that what he perceives as the perception of others is true. It is what he thinks that others think about himself. The truth, that is , how others think about him may be different.

### **4. Real self**

This is what one really is. Based on the communication with others, and through the feed backs of others, the self-concept re-evaluates itself

and tries to adjust the self-image to be more consistent in order to enhance the looking glass self-image.

## **Self Esteem**

Self-esteem is the positive or negative feelings we have about ourselves. Self-esteem can be high or low, high self-esteem is positive and low self-esteem is negative. The ability, confidence and worthiness of oneself is the factor to measure the high or low self-esteem. When a person feels confidence on his competency level to finish a task or job, he will have a high self-esteem. For example, if a singer is called to the stage to perform a song he knows very well, he will have high self-esteem and his performance will be good. But, if the same singer is called to the stage and asked to do a dance performance, he may feel low self-esteem because his competency level for the said task may not be enough to complete the task efficiently.

Self-esteem is determined by many factors such as core competency, ability, skill, knowledge, power, money, physique, satisfaction level, relationships, respect, dignity, family support, social status etc. The inadequacy felt during low self-esteem is not necessarily due to the inadequacy in one's own personal traits and ability. The external factors and their inadequacy can also lead to low self-esteem and the same is applicable for high self-esteem also.

The time period of having a stable self-esteem is different from person to person. The time period of stable self-esteem can be anywhere from hours to days to months to years. Hence, some people experience high self-esteem for a long period than others and some people have the change of high to low self-esteem very often when compared to others.

## **Ego Involvement**

The involvement of ego of an individual in the day-to-day activities determine the longevity of high or low self-esteem. When a person's self-worth is continuously assessed by himself, the stability of self-esteem seems to be very weak. For these kinds of people, self-worth is highly valuable to a degree to which they act and want to be perceived as acting very competently, popularly and so forth. The feedback they get though

others around them- not essentially in the form of feedback, but the non-verbal communications such as shoulder shrug, awe look, eye rolling etc – will affect their confidence on self-worth and swing their self-esteem from high to low or low to high.

If they don't get the direct or indirect feedback, they tend to search for the feedback by asking direct questions to assess their self-worth. For example, a beauty pageant aspirant constant asking others “do I look beautiful?” is very common. The positive or negative answer they get will decide their self-esteem for the day.

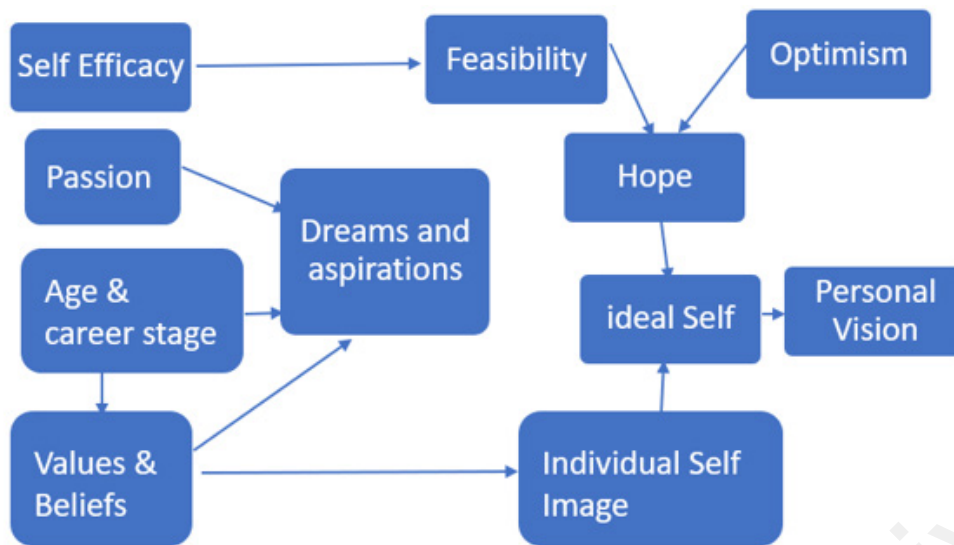
### **Self-Efficacy**

According to Bandura, Self-efficacy refers to an individual's belief in his or her capacity to execute behaviours necessary to produce specific performance attainments. Self-efficacy reflects confidence in the ability to exert control over one's own motivation, behaviour, and social environment.

Self-efficacy leads to optimism and hope, and through the hope a person is able to grow towards his ideal self-image and thus helping him achieve his desired self -goals along with other factors.

Self-efficacy arises from the gradual acquisition of complex cognitive, social, linguistic and physical skills through experience. Individuals appear to weigh, integrate and evaluate information about their capabilities, then they regulate their choices and efforts accordingly. There are three dimensions of self-efficacy. They are Magnitude , strength and Generality.

- Magnitude applies to the level of task difficulty that a person believes he can attain.
- Strength refers to whether the conviction regarding magnitude is strong or weak.
- Generality indicates the degree to which the expectation is generalised across situations (Bandura, 1977)



### Review Questions:

- 1) Explain the importance of organisational image with examples
- 2) List out the functional areas of the organisation where the image of the organisation will have effect on its development. Explain with examples.
- 3) Explain how the individual behaviour will get affected by the organisational image
- 4) What is self-image? What are its components?
- 5) How do you assess and evaluate yourself to create a self-image?
- 6) Explain self-esteem and self-efficacy.

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## Lesson 1.3 - Conceptual Models

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### Objectives

This lesson will help you to understand and appreciate the foundation on which the study of Organisational Behaviour is built upon. The theoretical Constructs and basic models of Organisational Behaviour are briefly explained in this lesson.

### Lesson Outline:

- Theoretical constructs and models of Organisational Behaviour.
- Conceptual Models of OB

### Theoretical constructs and models of Organisational Behaviour

The framework of Organisational Behaviour is developed based on the following approaches:

1. Cognitive Approach
2. Behaviouristic Approach
3. Social Learning Approach

#### 1.Cognitive Approach

Cognitive approach is a psychological process. It is based on collecting and retrieving the information collected by a person through his experiences. Cognition is the factor that drives the behaviour and acts as the data source for a person to think and perceive the things he see/do in day-to-day life. This is the approach that deals with the problem solving and other information processing by a person.

#### 2.Behaviouristic Approach

Behaviouristic approach, as the very name suggests. Focus on the behaviour of a person. Behaviours are the actions done by a person in response to a stimulus. This approach can be well understood by

stimulus-response experiments. According to Skinner, the stimulus-response relationship is the key to any behaviour, which is a function of its consequences. For example, if an organisation implements a reward scheme that punishes and Regular attendees to work will be rewarded, then employees will try to be punctual and regular- which is behaviour- to get the reward, which is a consequence. The reward scheme acts as stimulus to change or pull the desired behaviour from the employees.

### 3.Social Learning Approach

The social learning is a combination of both the concepts of Cognitive and Behaviouristic frameworks. In this approach, behaviour is explained as a continuous reciprocal interaction between cognitive, behavioural and environmental determinants. A person through his past experiences learn the environment around him, and tries to adjust, modify or reconstruct the environment according to the wants and needs for him. Hence, in organisational context, the employees learning through his past experiences and the work place in the organisation interact with each other and determines the behaviour of the employee in the organisation. production, new sources and types of raw materials, novel machinery, new labour saving devices, new packaging techniques and packaging materials, new way of advertising, product development, new application of existing product and even developing a new market.

### Conceptual Models of Organisational Behaviour

#### SOBC model

SOBC is a basic model of Organisational Behaviour

S– Stimulus (Environment based Variable)

O- Organisation

(Cognitive understanding of the organisation and the behaviour elicited from it)

B- Behaviour

C- Consequences of previous and past learning of the person  
(Environment based Variable)

Davis (1990) has defined four models of Organisational Behaviour. Let us see them one by one.

### **1. Autocratic Model**

In this model, managerial orientation is towards the authority. To elicit the desired behaviour from the employees, managers use their power and expect the employees to obey the orders. This model is based on assumption that employees are not interested or passionate to work and not willing to take up responsibility. Hence, this model suggests that performance can be enhanced through fear and negative motivation techniques.

### **2. Custodial Model**

Money matters! This is the base for this model. Economic resources will be the constant factor that pay outs the monetary benefits of employees such as rewards, pension benefits etc. This approach assumes that it is the prerogative of the management to decide on what benefit will be best for the employees.

### **3. Supportive Model**

Leadership is the base for this model. The basic assumption of this approach is that, if the managers support their employees, and make the management activities participative then the employees will display the desired behaviour. According to Likert (1961), the leadership and the other processes of the organisation must be such as to ensure a minimum probability that in all interactions and relationships with the organisation, each member will in the light of his background, values and expectations view the experience as supportive and one which builds and maintains his sense of personal worth and importance.

### **4. Collegial Model**

Collegial means a group of people with a common goal. This basically emphasizes the team concept. If employees are grouped into teams, they will support and evolve with the help of each other. Employees will feel empowered, needed and worthy in the work place.

Now, let's see the summary of differences of four models.



	<b>Autocratic</b>	<b>Custodial</b>	<b>Supportive</b>	<b>Collegial</b>
Basis of the model	Power	Economic Sources	Leadership	Partnership
Managerial Orientation	Authority	Money	Supportive	Teamwork
Employee orientation	Obedience	Benefits	Performance	Responsibility
Psychological result	Dependence on Superior	Dependence on Organisation	Participative	Self-discipline
Employee needs met	Subsistence	Security	Recognition	Self-actualisation
Performance result	Minimum	Passive Cooperation	Awakened drives	Moderate enthusiasm

### Review Questions

1. Explain briefly the basic frame work of OB
2. Explain briefly the conceptual Models of OB
3. What do you think about the feasibility of success of custodial model? Explain with a real time example.
4. Which OB model is suitable for performance management? Why?

### Case Study

Swizz & Co Inc is a manufacturing company with 200 + employees. The Founder and Managing Director Mr. Murugan was very empathetic and caring towards the employees since its founding. After his sudden demise, the power was vested with his son-in-law, Somesh, who felt that the company is not progressive because of the Empathetical approach of Murugan and he perceived this as emotional weakness. He brought in some rules and regulations on punctuality, attendance and break timings. The rules were not strict or stringent, but not as flexible as it was before. During the days of Murugan, employees will take time in between work if they had some family work and they used to compensate at evening, sometimes late hours too, but finished up their work. After 3 months of implementation of new rules, Somesh was shocked to see that the production took a nose dive. He stated to think on what he has done wrong.

1. Can you explain the reason for the decrease in production?
2. Who was right – Murugan or Somesh? Why?

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**UNIT – II****Lesson 2.1 - Perception And Learning****Objectives**

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

- Understand The Perceptual Process And The Influencing Factors Thereof;
- Identify The Factors Determining The External And Internal Stimuli;
- Examine The Various Learning Theories; And
- Distinguish Between Positive And Negative Reinforcements Influencing The Learning Behavior.
- describe theories of entrepreneurial motivation.
- Internal environment motivation factors
- External environment motivation factors

**Lesson Outline**

- The Perceptual Process
- Factors Influencing Selection Of Stimuli
- Factors Influencing Perception
- Managing The Perception Process
- Learning Theories
- Learning Reinforcement
- Review Questions

Perception is how people look at and understand the things. It is a unique interpretation of the situation rather than recoding of it. Perception is a complex cognitive process of understanding the world, sometimes not in its real form. Perception is a learning process and hence it differs from person to person. As a result, the same stimuli may produce different behaviours and responses. In managing the organizations, particularly in dealing with the people, managers should be able to understand the perceptions of the people. It is in this context, an attempt is made here to explain the perceptual process, factors influencing perceptions and

managing the perceptions to the advantage of the organization.

### Perceptual Process

Perception is the process by which people select, organize, interpret and respond to information from the world around them. This information is obtained through the senses namely, seeing, hearing, touch, taste and smell.

Perception may be defined as the process of receiving, selecting, organizing, interpreting, checking, and reacting to sensations. It is also defined as *'a process by which individuals organize and interpret their sensory impressions in order to give meaning to their environments.'* The perceptual processes show that their functioning is affected by three variables – the objects perceived, the environment in which perception occurs, and the individual perceiving the objects.



### The Perceptual Process

In the above diagram, you may find that the important aspects of perception are selection and organization. Different people perceive an object differently both in terms of what they selectively perceive and how they organize and interpret the things perceived. A person's selection process involves factors internal to the person as well as external to him. It is, in fact, a complex set of factors that determine the perception of an individual.

Similarly, an individual organizes the selected stimuli into meaningful patterns. The interpretation of what is perceived may vary widely. For example, a wave of hand may be interpreted as a friendly gesture or it may be interpreted as a sign of threatening depending on the circumstances and the state of mind of the two people. Therefore, quite often the people perceive things differently and behave on the basis of those perceptions. Managers in organizations should understand that people's perceptions differ and at times they also go wrong.

## **External Factors Influencing Selection**

The external factors influencing selection are nature, intensity, size, contrast, repetition, motion, and novelty and familiarity.

### **Nature**

By this we try to understand the nature of the object. Is it a visual object? Does it have words, pictures, people or animals? Pictures attract attention more than words and a picture with human beings attracts attention more than a picture with inanimate objects. That is why cartoons and caricatures draw more attraction.

### **Intensity**

The intensity principle conveys that if the external stimulus is more intense in nature, the more it is likely to be perceived by the individual. That is why people pay more attention to loud noise, strong odour or bright light. At work places, superiors speak loudly to subordinates for this reason only.

### **Size**

Like intensity, size also matters very much. Larger objects are likely to be perceived more by the individuals than the smaller ones. A maintenance engineer gives greater attention to a bigger machine than a smaller one.

### **Contrast**

The contrast principle suggests that the external stimulus that stands out distinctly against the background or the one that is quite unusual will receive greater attention of the people.

### **Repetition**

The principle of repetition suggests that a repeated external stimulus draws more attention than a single one. The several advertisements of various products shown daily on TVs are based on the principle of repetition only. This principle also explains why supervisors have to give

directions to workers repeatedly for even simple tasks.

### **Motion**

According to this principle, people pay greater attention to moving objects rather than stationary objects. That is why advertisers create signs that incorporate moving parts.

### **Novelty and Familiarity**

This principle states that either a novel or a familiar external situation can better serve to draw attention. New objects in familiar settings or familiar objects in new settings are likely to draw the attention of the perceiver. Job rotation is followed in organizations for this reason. For instance, workers will pay greater attention to the tasks assigned to them in the new jobs in order to prove themselves and gain acceptance in the new job.

### **Internal Factors Influencing Selection**

Internal factors influencing selection of stimuli are personality, learning, and motivation. They are explained below.

#### **Personality**

It cannot be disputed that personality has a significant impact on what and how people perceive. The various personality dimensions influence the perceptual process. A conscientious person is likely to pay greater attention to external environmental stimuli than a less conscientious person who is likely to be careless, impulsive and irresponsible. On the other hand, conscientious people tend to organize their perceptions into clear categories, receive information quickly and in an organized manner. They are careful and methodical in their perceptual selection and organization.

#### **Learning**

Perceptual selection is also affected by learning. Learning determines the development of perceptual sets. Perceptual set means the

expectation of particular interpretation based on past experience with the same object. This is also known as cognitive awareness by which the minds organizes information and form images and compare them with previous exposures to similar stimuli. In organizations employees' experiences are influenced by their perception very much. In making decisions, managers are also influenced by their functional background. However, it is necessary for managers to rise above their own experiences and be able to solve the problems in an appropriate way. Individual differences lead to perceptual bias. This bias can be overcome through education and experience.

### **Motivation**

Motivation also plays an important role in influencing the process of perception. For example, a hungry person is likely to be sensitive to the sight or smell of food than a non hungry person. Likewise if the person is deprived of sleep, he looks for a situation in which he can have a comfortable sleep. Generally, people perceive things that help in satisfying needs and those that were found rewarding in the past. The relationship between motivation and perception is explained through Collenyan's Principle which states that people process pleasant events more efficiently and accurately than the unpleasant events.

### **Factors Influencing Perception**

A number of factors operate to shape and sometimes to distort perception. These factors emanate from three sources – the perceiver, the perceived and the situation.

#### **The Perceiver**

When a person looks at a target, his interpretation of it is influenced by his personal characteristics like his needs, past experience, habits, personality, values, and attitudes. A person with a strong need for ego satisfaction may select out from a situation and emphasize signals that tend to satisfy the desire for self esteem. Similarly, negative attitudes toward unions may cause a manager to look for antagonisms in even routine visits by local union officials to the organization. These and other personal factors will determine what a person gives attention to in a situation and how these cues are interpreted as a basis for decision-making and action

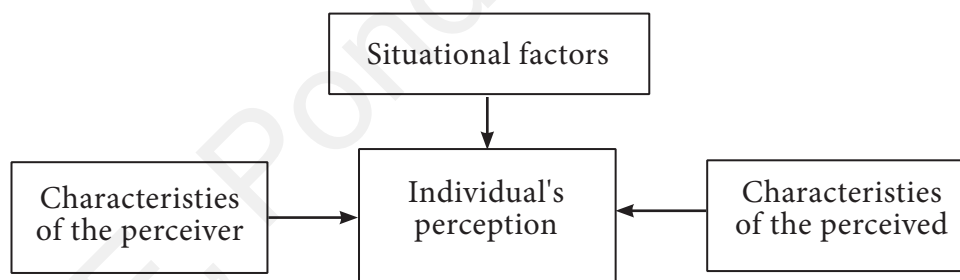
responses.

### The Perceived

Characteristics in the target / object that are being observed may influence what is perceived. The physical attributes, appearance, and behaviour of other persons in the situation also influence how the object is perceived. Physical attributes of a person are related to age, sex, height, and weight. A young person exercising authority in a situation is viewed differently from an older person doing the same thing. Personal attire and appearance are also relevant factors in the formation of perceptions.

### The Situation

The context in which we see the objects or events is important. The physical, social and organizational elements of the situation or event may also influence perceptions. A subordinate calling his boss by the first name may be perceived quite differently when observed in a typical Indian office as opposed to in a social reception. Though the perceiver and the perceived are the same, it is the situation that makes a difference. Such background characteristics of the situation or context are additional factors that can affect how the situation is perceived by the different persons. The following Diagram shows the summary of the factors influencing perception.



Factors Influencing Perception

### Managing the Perception Process

Successful managers understand the importance of perceptions as influences on behaviour, and handle them accordingly. They are aware of perceptual distortions and accept that perceptual differences are likely to exist in any situation. With this knowledge, they make appropriate decisions that are acceptable to all persons concerned. The perceptual

skills of a manager will help him in the following ways.

### **High level of self awareness**

As already made clear, individual needs, experience, and expectations will all affect perceptions. The successful manager understands this and is able to identify when he is inappropriately distorting a situation because of such perceptual tendencies.

### **Seek information from various sources for decisions**

The successful manager minimizes the bias of personal perceptions by seeking out the viewpoints of others. These insights are used to gain additional perspective on situations and the problems or opportunities they represent.

### **Empathy**

As is understood, different people look at the same situation differently. The successful manager rises above the personal impressions and tries to understand problems as felt by other people.

### **Influence of perceptions on other people**

People act according to their own perceptions. If felt necessary, the successful manager influences the perceptions of others in such a way that the work events are interpreted as accurately as possible and to the advantage of all concerned.

### **Avoid common perceptual distortions**

Perceptual distortions include the use of stereotypes and halo effects, as well as selective perception and projection. Successful managers are self disciplined and sufficiently aware that the adverse impact of these distortions is minimized.

### **Avoid inappropriate attributions**

A person has a tendency to explain why events happened the way



they did or why people behaved as they did. The successful manager is wise enough to establish the real reasons for the things that happen and avoid the tendency of making quick or inappropriate attributions.

## Learning

Now, let us understand the term 'learning' and the various processes of learning. Learning is any relatively permanent change in behaviour that occurs as a result of experience. There are two important elements in learning:

a. Change must be relatively permanent. It means after 'learning' the behaviour of a person must be different from the previous behaviour. If a person learns car driving, it will last for a long time indicating the changed behaviour. Temporary changes may be only reflexive and fail to represent any learning. Therefore, this requirement rules out behavioural changes caused by fatigue or other temporary adaptations.

b. The second element is that the change of behaviour should take place as a result of some kind of experience. Learning must be because of some interaction with the environment and some feedback from such environment that affects behaviour. The experience may be direct or indirect. Sometimes we learn to change our behaviour when our colleagues are punished for that kind of behaviour.

You may note that learning itself cannot be observed. The behavioural changes consequent upon learning only can be seen. This kind of change in behaviour should be differentiated from change in behaviour caused by other factors. For example, aging may cause behavioural changes. A change in the individual's thought process or attitudes, if accompanied by no change in behaviour, would not be learning.

Learning certainly has its own impact on training activities in an organization. It can give insights into how to best develop the skills and talents of employees for performing the jobs effectively. But it is the desire to change individuals that is of the greatest importance. The manager who undertakes to produce such changes acts like a teacher. He guides the employees to engage in behaviours that will help the organization achieve its objectives. When the employees are late for work, lazy, disobey

the rules or engage in any type of dysfunctional behaviour, the manager attempts to teach behaviours of functional nature. Further, if the employee is performing well, he gives the employee feedback and also rewards to strengthen such desirable behaviour.

You may understand that individuals enter an organization with a host of learned attitudes and behaviours. Their job performance is a function of their learned experiences. Learning is a continuous experience for employees. It is because of learning, employers recruit people with college degrees or those with job experience. The employer presumes that not only education or experience provides learning, but that learning will lead to higher job performance.

### **Learning Theories**

In an organization, employees have to learn and practice productive work behaviours. The manager's task is to provide sufficient learning experiences to employees in an environment that will facilitate learning process and promote desired behaviours. Training prepares employees to meet the challenges of the job, for which incentives are to be provided to learn and practice right behaviours. The following are the important theories of learning.

### **Classical Conditioning**

Classical conditioning is the process by which individuals learn to link the information from a neutral stimulus to a stimulus that causes a response. This response may not be under an individual's conscious control. Pavlov, in his experiments, hanged some meat in front of dogs. This meat is unconditioned stimulus or unlearned stimulus. The dogs responded to this stimulus by salivating. This kind of response was instinctive or unconditioned. Afterwards Pavlov started to ring a bell at the same time when meat was offered. Ringing the bell without offer of meat was not connected to any responses. However, by ringing the bell every time when meat was offered, Pavlov established a relationship between the two stimuli that is the bell and the meat. With the continuation of the process, the ringing of the bell alone acted like a stimulus to evoke the response of salivating even without presentation of meat. As a result, the bell became a conditioned stimulus leading to conditioned response.

## Operant Conditioning

B.F. Skinner coined the term operant conditioning to refer to a process by which individuals learn voluntary behaviour. Voluntary behaviours are called operant because they operate or have some influence on the environment. Learning occurs from the consequences of behaviour, and many employee work behaviours are operant behaviours. As a matter of fact, most behaviours in everyday life are forms of operant behaviour. Managers are interested in operant behaviours because they can influence the results of such behaviours. On the basis of the direct relationship between the consequences and behaviour, the management can identify the relationship and try to modify the behaviour. That is how the behaviour can be controlled by manipulating its consequences. Two principles guide this relationship.

- The behaviour that results in positive rewards is likely to be repeated and behaviour with negative consequences is likely to be extinguished.
- Based on such consequences, the behaviour can be predicted and controlled.

Therefore, some consequences can be used to increase the recurrence of desired behaviour and some other consequences can be used to decrease the recurrence of undesired behaviour.

## Principle of Reinforcement

We understand that some behaviours are strengthened by the process of reinforcement. Reinforcer may be any stimulus that prompts a behaviour to be repeated or stopped. Managements expect that the employee should behave in a desirable manner in the organization and avoid undesirable behaviour. By the appropriate use of reinforcers, the organizations are able to maintain or increase the probability of behaviours like quality oriented performance, wise decision making, regular attendance and punctuality and so on. Some reinforcers work by their application to a situation whereas other reinforcers work by their removal from this situation.

### **Positive Reinforcement**

Positive reinforcement is provided by offering rewards for desired behaviours. Such rewards should be powerful and durable so as to increase the probability of occurrence of desirable behaviour. Money, as you understand, is the most powerful reinforcement for positive behaviour since money can be used for a number of other purposes. Some other positive reinforcers are recognition for good performance, challenging task, participation in decision making and so on. As individuals have different motivations of performance, positive reinforcers should be individually tailored with a view to facilitate the repetition of desired behaviour. That means reinforcer must be valued by the employee. For example, money would be a less reinforcer who values praise for his performance more. The reward must be directly linked with behaviour so that the higher the performance of an employee, the greater would be the reward.

### **Negative Reinforcement**

In negative reinforcement, an unpleasant event that precedes the employee behaviour is removed when the desired behaviour occurs. This procedure increases the likelihood of the desired behaviour to follow. Negative reinforcement is sometimes confused with punishment because both use unpleasant events to influence behaviour. However, negative reinforcement is used to increase the frequency of a desired behaviour, whereas punishment is used to decrease the frequency of an undesired behaviour. Managers frequently use negative reinforcement when an employee hasn't done something that is desired.

### **Omission**

Omission is the removal of all reinforcing events. While reinforcement increases the frequency of a desirable behaviour, omission decreases the frequency and eventually extinguishes an undesirable behaviour. Managers use omission to reduce undesirable employee behaviours that obstruct achievement of organizational goals. The omission procedure consists of three steps.

1. Identifying the behaviour to be reduced or eliminated,
2. Identifying the reinforcer that maintains the behaviour, and

### 3. Stopping the reinforcer.

Omission is a useful technique for reducing and eventually eliminating behaviours that disrupt normal workflow.

## **Punishment**

Punishment is an unpleasant event that follows a behaviour and decreases its frequency. As in positive reinforcement, a punishment may include a specific antecedent that cues the employee that a consequence will follow a specific behaviour. While a positive consequence of reinforcement encourages the frequency of a desired behaviour, a consequence of punishment decreases the frequency of an undesired behaviour.

Organizations typically use several types of unpleasant events to punish individuals. They may be a wage cut, a suspension without pay, a demotion, or a transfer. The severe punishment is the dismissing an employee for failure to perform. In general, organizations use punishments of unpleasant nature sparingly for cases of serious behavioural problems.

It may be kept in mind that punishment should be used as a last resort. The use of punishment should be limited to those undesirable behaviours that cause a significant damage to the organizational operations. It may also be remembered that punishment should not lead to hostility to such an extent of making solution more harmful than the problem itself. Punishment may cause undesirable emotional reactions. An employee who has been reprimanded for a mistake may react with anger toward the manager and the organization. Such reactions may lead to retaliatory behaviour harmful to the organization. Sabotage, you remember, typically is a result of a punishment-oriented management system. It is clear that punishment leads to short-term suppression of the undesirable behaviour, rather than to its elimination. Further, the punished individual may develop a tendency of avoiding the situation. High absenteeism is a form of avoidance and quitting is the final form of escape.

You should also note that punishment suppresses employee initiative and flexibility. Overusing punishment produces apathetic employees, who are not assets to an organization. Sustained punishment can also lead to low self-esteem. Low self-esteem, in turn, undermines the employee's self-

confidence, which is necessary for performing most of the jobs.

### **Review Questions**

1. Explain the perceptual process and the factors influencing the perception?
2. Examine with suitable examples from the real world how a sound knowledge of perception helps a manager in managing people and situations?
3. What is learning? Explain any two learning theories you are familiar with?
4. Distinguish between positive and negative reinforcement?

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## Lesson 2.2 - Personality And Individual Differences

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### Objectives

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

- Grasp The Meaning Of Personality;
- Understand The Factors Contributing For Personality Development;
- Gain The Knowledge Of Various Personality Theories; And
- Find Out The Impact Of Personality Differences On Behavior.

### Lesson Outline

- Meaning And Definition Of Personality
- Determinants Of Personality
- Theories Of Personality
- Personality Traits And Their Impact On Behaviour
- Review Questions

### Meaning and Definition of Personality

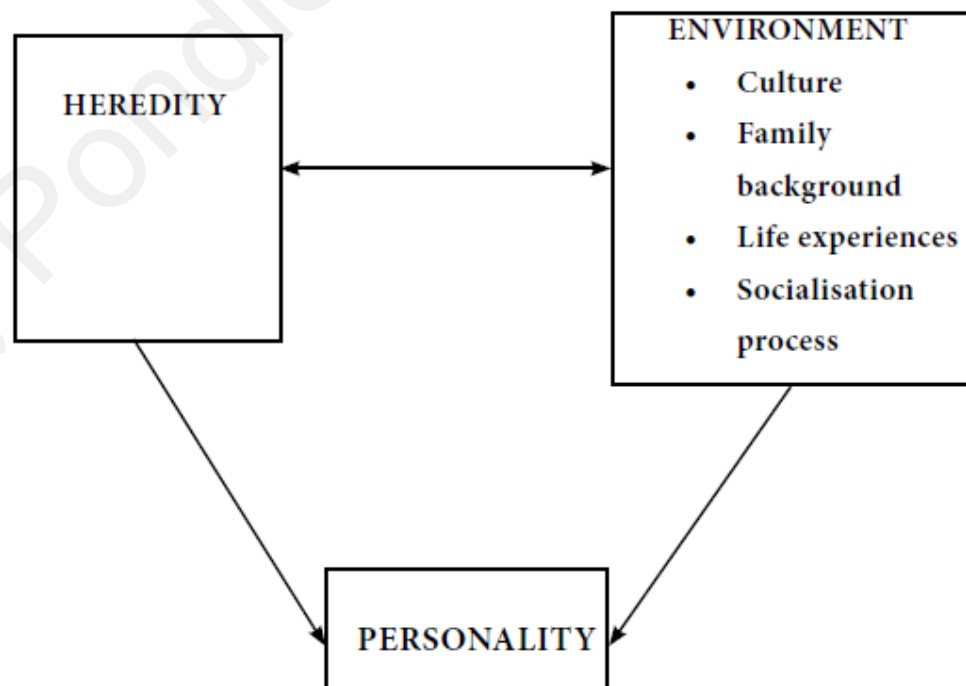
Personality is a complex phenomenon and difficult to understand. There is no single universally acceptable definition. Personality refers to the personal characteristics that lead to consistent patterns of behaviour. It represents the overall profile or combination of stable characteristics that capture the unique nature of a person. Personality combines a set of physical and mental characteristics that reflect how a person looks, thinks, acts and feels. It has both internal and external elements. External traits are observable behaviours on the basis of which we can understand one's personality. The internal factors are thoughts, values and genetic characteristics that are inferred from the observable behaviours. According to Hogan, *personality refers to the relatively stable pattern of behaviours and consistent internal states that explain a person's behavioural tendencies.*

We can understand from the above definition that people have some traits in common with others and some uncommon with them. Each

employee in an organization is unique and he may or may not act similarly in a similar situation. Therefore, managers cannot use the same kind of rewards or motivation techniques to influence employee's behaviour. The above definition does not mean that people do not ever change. It simply indicates that individuals do not change drastically overnight and their thoughts, feelings, values, and actions remain relatively stable over time. Personality changes in individuals occur slowly over an extended period of time. However, an understanding of personality dimensions would enable managers to predict the behaviour of employees and manage them effectively.

### Determinants of Personality

Having understood the concept of personality, now we can move further to know how an individual's personality is determined? Is it inherited (genetically determined) or is it formed after years of experience? There are no simple answers to these questions. In fact, several factors influence the shaping of our personality. Primarily, there are two sources contributing for personality differences. They are i. heredity and ii. environment. Environment has several factors within it like culture, family background, life experiences and the groups we interact with. The following diagram shows how personality is shaped by these factors.



Determinants of Personality



## **Heredity**

Our personality is partly inherited genetically from our parents. For example, whether we are fair or dark, tall or short, strong or weak are all characteristics that have something to do with heredity. Personality characteristics are partly influenced by environmental factors also like experiences in life. Some traits may have strong genetic component while others may be largely learned.

## **Culture**

Culture refers to the distinctive ways in which people organize and live their lives. Hence people belonging to different societies will have different cultural orientations. Persons born into a particular society are exposed to family and societal values and to norms of acceptable behaviour in the culture of that society. People in the West and those in the East have cultural differences between themselves. In US culture, people are rewarded for being independent while in Japanese culture they are rewarded for being group oriented. These differences are primarily due to variations in cultural norms and expectations of acceptable behaviours in the respective societies. You may also note that though cultural values may have an impact on personality differences among people in different cultures, people born in the same culture may also differ from each other in many characteristics. Managers should keep this in mind when they are dealing with the employees.

## **Family Background**

An important tool of socializing a person into a particular culture is the person's immediate family. Factors like the socio-economic status of the family, the number of children in the family and birth order, and education of the parents and extended members of the family such as cousins, uncles and aunts influence personality formation. In this regard, you may note that parents' influence on children's development is significant and it happens in three ways:

- i. Through their own behaviours they influence children's behaviours;
- ii. They serve as role models; and
- iii. They selectively reward and punish the behaviour of children.

## **Experiences in Life**

Perceptions, ego, temperaments, and self esteem, are all related to ones past experiences.

A complex set of events and interactions with other people determine the level of self esteem of a person. Therefore, some personality traits get changed positively or negatively on the basis of the kind of experiences in one's life.

## **Groups we interact with**

The first group of people, a person interacts with is the family. As they grow, people participate in various groups in the life time. The roles and experiences people have as members of different groups lead to personality differences. People influence each other and tend to associate with members who are similar to them in their attitudes and values. The interactions begin first with parents and siblings, then teachers and classmates, later on friends and colleagues. Undoubtedly, the influence of groups and various individuals will shape our personality. For example, if a person wants to become a member of a work group, he has to change himself to conform to the values and norms of that group. If the person is of aggressive type, he may have to become cooperative.

## **Theories of Personality**

### **Trait Theory**

Trait theory presents an approach to understand personality. Many traits are common to most people. However, there are many other traits that are unique to a person. It may be remembered that traits are reactions and not what a person possesses. A person does not possess emotion but he acts emotionally in some circumstances. On the basis of the traits, people may be described as emotional, aggressive, loyal, creative, flexible, humorous, sentimental, and impulsive and so on. Traits are the basic elements of personality and can be used to summarize the behaviour of a person. However, determining basic traits is rather difficult because thousands of descriptive words are there.

## Psychoanalytical Theory

The psychoanalytical theory of personality is based on the Freudian concept of unconscious nature of personality. On the basis of his clinical experience, Freud noted that his patient's behaviour could not always be consciously explained. This prompted him to believe that the personality structure is primarily founded on unconscious framework and that human behaviour and motivation are the outcomes of such conflicting psychoanalytic concepts as the **id**, the **ego** and the **super ego**. **Id** is the foundation of the unconscious and is the basis of libido drives. It strives for sexual and other biological pleasures and has animal instincts of aggression, power and domination. **Ego** is conscious in nature and is a mechanism to relate our conscious urges to the outside real world. It keeps the id in check through the realities of the external environment. While **id** demands immediate pleasure, regardless of costs, **ego** controls it so that these pleasures are granted at an appropriate time and in an acceptable manner. Because of difficulty in keeping the id under control, ego is supported by super ego. The **super ego** is the higher level restraining force and can be described as the conscience of the person. The conscience creates standards of what is right and what is wrong and is generally subconsciously developed by the absorption of cultural and ethical values of the social environment. All these three Freudian elements are inter-related and each cannot exist in isolation from others. In order to create a "normal" personality, there must be a balance in the relationship among these three forces.

## Social Learning Theory

The social learning theory differs from the psychoanalytical theory in two ways. First, it is believed that personality development is more a result of social variables than biological drives. Secondly, motives can be traced to known and conscious needs and wants rather than unconscious and latent desires. Thus, learning theory looks at personality as the sum total of all that a person has learned. The social learning theory focuses on behaviour patterns and cognitive activities in relation to the specific conditions that evoke maintain or modify them. The social learning theory uses "reinforcement and punishment" approach in understanding personality. For example, good behaviour is rewarded by management in terms of praise that further reinforces good behaviour. Thus, behaviour and

external environment have mutual interaction. Behaviour partly creates the person's environment and the environment affects the behaviour as well.

Learning may also take place simply from observation rather than interaction with the environment. We watch the behaviour of other people, draw conclusions from it and come out with our own behaviour. Unlike trait theory or psychoanalytical theory, social learning theory considers situation as an important variable in determining human behaviour.

### **Individual Differences and Impact on Behaviour**

The range of personality traits is quite bewildering. Personality trait means the basic components of personality. The important personality traits that influence employee behaviour at work place are need patterns, locus of control, introversion and extroversion, self-esteem and self-concept, risk taking, self monitoring, Type A or Type B personality, and goal orientation. These are briefly explained below.

#### **Need Patterns**

Primarily four personality needs can be identified that manifest themselves in the work setting. They are the needs for *achievement, affiliation, autonomy, and dominance*. Those with a high need to achieve engage themselves proactively in work behaviours in order to feel proud about their achievements and success. Those who are high in need for affiliation tend to work cooperatively with others. Those who are high in need for autonomy do well when not closely supervised. Those high in their need for dominance prove to be effective in situations where they can enforce their legitimate authority.

#### **Locus of Control**

Locus of control refers to a generalized belief that events are either within one's control (internal locus of control) or are determined by the fate or luck (external locus of control). People who have moderately strong internal locus of control are likely to perform better at work places. They are likely to be more successful than their external counterparts. Internals are more suitable for leadership positions and are likely to be more

satisfied with the jobs. Internals typically have more control over their own behaviour than externals that leave everything to fate.

### **Introversion and Extroversion**

Personality traits are commonly understood in terms of introversion and extroversion. Introversion is the tendency in individuals which directs them to turn inward and experience and process feelings, thoughts and ideas within themselves. Extroversion refers to the tendency in individuals to turn outward searching for external stimuli with which they can interact. While there is some element of introversion as well as extraversion in all of us, based on dominance, people are regarded as either introverts or extroverts. Extroverts are sociable, lively, gregarious, and seek outward stimuli or external interactions. Introverts are quiet, reflective, introspective, and intellectual people. They interact with a few intimate people. Introverts perform well when they are alone and when the environment is quiet. Since managers have to constantly interact with individuals both within and outside the organization and be able to influence them to achieve organization's goals, it is expected that extroverts prove to be better managers than introverts.

### **Risk - taking**

Personality differences can be seen in the willingness of people to take risk. Some managers are prepared to take risk and act on little information and quickly also. They prove to be as much effective as those other managers that are averse to take risk and make decision cautiously.

### **Self – Monitoring**

It refers to a person's level of sensitivity and ability to adapt to situational cues. High self-monitors change their behaviour quite easily to suit the situation whereas low self monitors reveal their moods and personal characteristics to others who can easily predict their behaviour in a given situation. Self monitoring personality trait is important in carrying out organizational activities. Employees having this trait emerge as better performers, better leaders and are likely to grow faster in the organization.

## **Self – Esteem and Self-Concept**

Self esteem is the result of a person's continuing self-evaluation. Self-esteem refers to the extent to which an individual consistently regards himself as capable, successful, important, and worthy. Self-esteem is an important personality factor that determines how managers perceive themselves and their role in the organization. It is important to self-concept, which refers to the way individuals define themselves as to who they are and derive their sense of identity. High self-esteem leads to a high sense of self-concept, which in turn, reinforces high self-esteem. The two are mutually reinforcing forces. As a trait, a person high in self-esteem is likely to take on more challenging assignments and be successful, thus enhancing their self-concept. That means they define themselves as highly valuable and valued individuals in the organization. The higher the self-concept and self-esteem of a person, the more he contributes to the goals of the organization.

## **Type A and Type B Personalities**

Individuals can be grouped into two types of personalities – Type A and Type B. Type A persons feel a chronic sense of time urgency, are highly achievement oriented, exhibit a competitive drive, and are impatient when their work get slowed down for any reason. In contrast, Type B persons are easy going individuals who neither have sense of time urgency, nor the competitive drive. Type A individuals are more prone to heart attacks than Type B individuals. While helping the organization to move ahead in a relatively short period of time, Type A persons may suffer from health problems which are harmful to themselves apart from the organization.

## **Goal - Orientation**

An important personality difference affecting behaviour at work is goal orientation. There are two orientations – learning goal orientation and performance goal orientation. A person with learning orientation develops by acquiring new competencies whereas a person with performance orientation demonstrates competencies by seeking favorable judgments from others. As is well known, some individuals are highly work-oriented while others try to do the minimum that is necessary for not being fired on the job. The extremely work oriented person gets greatly involved in

the job and lives up to being described as “living, eating, and breathing the job”. Estrangement from immediate family members may occur. Though a high level of work orientation of members is good for the organization to achieve its goals, too much of it may lead to premature burnout and health problems.

In the above discussion, it is evident that personality traits are important for employees, managers and organizational effectiveness. With personality differences, we are able to understand, how they affect the behaviour of the people in organizations.

### **Review Questions**

1. Define Personality?
2. How is Personality of an individual shaped?
3. What you know about psychoanalytical theory of personality?
4. Distinguish between introversion and extroversion.

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## Lesson 2.3 - Motivation

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### Objectives

*After studying this lesson, you should be able to:*

- Understand The Meaning Of Motivation And Its Importance In ;
- Acquaint With The Various Theories On Motivation; And
- Learn And Practice The Techniques In Your Own Operational Area.

### Lesson Outline

- Needs, Incentives And Motives
- McGregor's Participation Model
- Maslow's Need Hierarchy Model
- Herzberg's Motivation – Hygiene Model
- McClelland's Three Need Model
- Alderfer's Erg Model
- Reinforcement Theory
- Job Enrichment
- Job Enlargement
- Review Questions

Motivation is an effective instrument in the hands of a manager for inspiring the workforce and creating a confidence in doing things effectively. By motivating the workforce, management creates 'will to work' which is necessary for the achievement of organisational goals. Motivation involves getting the members of the group to perform effectively, to give their loyalty to the group and to carry out properly the purpose of the organisation. The following results may be expected if the employees are properly motivated:

- The employees will cooperate voluntarily with the management and will contribute their maximum towards the goals of the enterprise.
- They will improve the skills and knowledge so that they



are able to contribute to the growth of the organisation. This will also result in increased productivity.

- The rates of labour turnover and absenteeism among the workers will be low.
- There will be good human relations in the organisation as friction among the workers and the management will decrease.
- The number of complaints and grievances will come down. Accident rate will also be low.
- Contributes for the improvements in quality of products. Better quality of products will increase the public image of the business.

### **Motivation - Meaning**

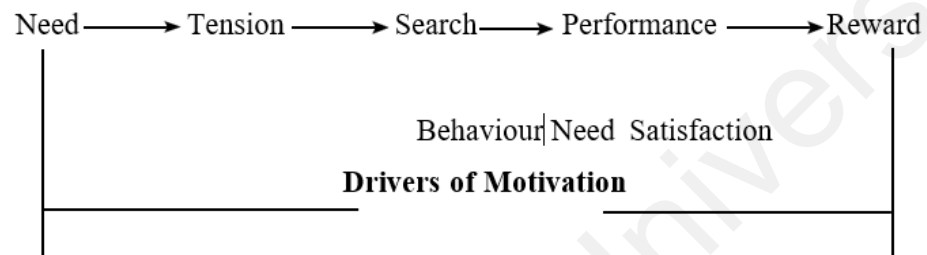
The word 'motivation' has been derived from the word 'motive' which means any idea, need or emotion that prompts a man into action. Whatever may be the behaviour of a man, there is some stimulus behind it. Stimulus is dependent upon the motive of the person concerned. Motive can be known by studying his needs and desires. Generally, different motives operate at different times among different people and influence their behaviour. The management should try to understand the motives of individuals which cause different types of behaviour.

Dubin has defined motivation as **“the complex of forces starting and keeping a person at work in an organisation. Motivation is something that moves the person to action, and continues him in the course of action already initiated”**. Motivation refers to the way a person is enthused at work to intensify his desire and willingness to use his energy for the achievement of organisational objectives.

According to Dalton E. McFarland, **“Motivation refers to the way in which urges, drives, aspirations, striving or needs direct, control or explain the behaviour of human beings”**. Motivation has close relationship with the behaviour of human beings. It explains how and why human behaviour is caused. Thus, motivation is a term which applies to the entire class of urges, derives, desires, needs and similar forces.

## Needs, Incentives and Motives

Need is the starting point of motivation. An unsatisfied need creates tension that stimulates drives within the individual. These drives generate a search behaviour to achieve particular goals that will satisfy the need and lead to reduction of tension. The action taken by the individual will lead to reward which satisfies the need and reduces tension.



Management can do its job effectively only through motivating people to work for the accomplishment of organisational objectives. But, it is difficult to understand motivation without considering what people want and expect from their work.

Human needs may be classified as: (1) basic physiological or primary needs, and (2) social and psychological or secondary needs. Some of the physiological needs are food, water, sleep, air to breathe, sex, clothing and shelter. These needs arise out of the basic physiology of life and are important for the survival of a man. They are virtually universal among people, but they exist in different intensity. Needs are also influenced by the social environment. One man may require wheat to satisfy his hunger, other may require rice for the same purpose.

Secondary needs are related to mind and spirit rather than to the physiology of life. Many of these needs develop as one matures. Instances are belongingness, recognition, self-esteem, sense of duty, self-assertion and so on. Actually, these are the needs which complicate the efforts of managers because the secondary needs vary among people much more than primary physiological or basic needs.

## Motivational Sources

Having understood the concept of motivation, now let us understand

the various sources of motivation. You may note that motivation may sometimes come from external environment in the form of rewards or punishments and sometimes it is generated from within an employee in the form of intrinsic motivation. It may be recognized that under the same set of external factors, all employees are not equally motivated. It depends upon various factors which you can understand when you go through the different motivational theories. The motivational sources are explained below.

### **Positive vs. Negative Motivation**

Motivation may be either positive or negative. Positive motivation takes place when management recognizes the employee's efforts towards the achievement of organizational goals. It is positive because, this kind of motivation increases the level of performance, promotes team spirit, a sense of cooperation and generates a feeling of belongingness and happiness. The positive motivational factors are:

- Praise and reward for good performance.
- Concern for the well being of an employee.
- Confidence reposed in the employee.
- Delegation of authority
- Scope of participation given in the decision making.

Negative motivation, on the other hand, results from the use of force, pressure, fear or threat. You may note that fear of punishment also affects motivation and thereby the behaviour of a person. In the organizations, negative motivation may come from the fear of being transferred, demoted or removed. This fear of punishment prompts the person to work hard and achieve the goals. It may, however, be realized that negative motivation is not desirable because employees do not like to be punished. Hence, it is desirable to motivate the employees by positive means.

### **Extrinsic Vs. Intrinsic Motivation**

Motivation may be either extrinsic or intrinsic. Extrinsic motivation is induced by external factors primarily financial rewards. It is expected that the behaviour caused by positive rewards is likely to be repeated. But the reward should be sufficiently powerful for desirable behaviour to

be repeated. Money acts as a significant incentive for positive behaviour of employees. Realizing the value of financial incentives as motivators, managements now-a-days make use of wage increments, bonus payment, fringe benefits, stock options, profit sharing schemes, paid holidays, medical benefits, etc. for motivating the employees.

*Intrinsic motivation* is something that is generated within an individual. It is an inner feeling. It may be a sense of achievement or recognition leading to satisfaction that motivates the employee further. Since this kind of motivation comes from within, it is called intrinsic motivation. There are many retired doctors who work free in the hospitals because it gives them a sense of accomplishment and satisfaction. Some of the intrinsic motivators include praise, status, recognition, esteem, challenge, risk and responsibility in job.

### **Mc GREGOR'S PARTICIPATION MODEL**

It was McGregor who set forth – at opposite extremes – two pairs of assumptions about human beings which he thought were implied by the actions of autocratic and permissive managers. First set of assumptions are known as “Theory X” and the second set of assumption are known as “Theory Y”. It is important to note that these sets of assumptions are not based on any empirical research. They, according to McGregor, are intuitive deductions.

#### **Theory X**

Managers with Theory X orientation make the following assumptions about people:

- Average human being has an inherent dislike for work and will avoid it, if he can.
- The average human being is lazy and avoids responsibility.
- The average human being is indifferent to organisational goals.
- The average human being prefers to be directed, wishes to avoid responsibility, has relatively little ambition and wants security above all.

According to McGregor, this is a traditional theory where workers have to be persuaded and pushed into performance. Management can offer rewards to a worker who shows higher productivity and can punish him if performance is below standard. This is also called 'carrot and stick' approach to motivation. It suggests that threats of punishments and strict control are ways to control the people.

## Theory Y

Managers with Theory Y orientation make the following assumptions about people:

- The average human being does not inherently dislike work. Depending upon controllable conditions, work may be a source of satisfaction or a source of punishment.
- The average human being will exercise self direction and self-control in the service of objectives to which he is committed.
- Commitment to objectives is a function of the rewards associated with their achievement.
- The average human being learns under proper conditions, not only to accept, but also to seek responsibility.
- The capacity to exercise a relatively high degree of imagination, ingenuity and creativity in the solution of organisational problems is widely, not narrowly, distributed in the population.

Theory Y assumes that goals of the organisation and those of the individuals are not necessarily incongruent. Worker's commitment is directly related to the satisfaction to their needs. Thus, this theory places great emphasis on satisfaction of the needs, particularly the higher ones of the employees. It does not rely heavily on the use of authority as an instrument of command and control. It assumes that employees exercise self-direction and self-control in the direction of the goals to which they feel themselves committed.

## Application of Theory X and Theory Y

Theory X and Theory Y are important tools in understanding the behaviour of human beings and in designing the incentive schemes to motivate the employees. Neither of the two sets of assumptions is applicable

fully in all situations and to all types of people. It appears that Theory X is more applicable to unskilled and uneducated lower level workers who work for the satisfaction of their basic needs of food, clothing and shelter. Theory Y appears to be more applicable to educated, skilled and professional employees who understand their responsibility and are self-controlled. However, there can be exceptions. A lower-level employee may be more responsible and mature than a well-qualified higher level employee. The examples of employees at higher levels in modern organisations shirking responsibility are not uncommon. Therefore, management should use an amalgamation of both the theories to motivate different types of employees.

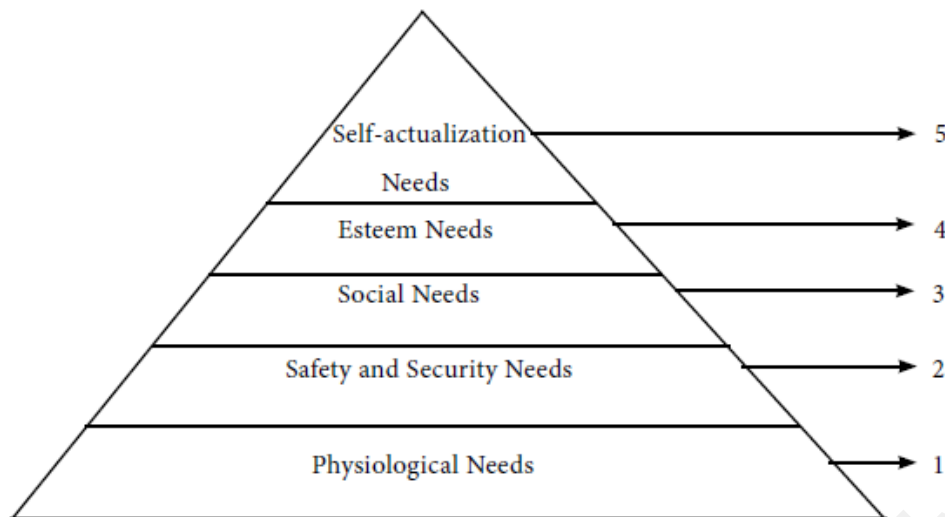
### **Theories of Motivation**

There are two types of motivational theories - content theories and process theories (cognitive theories). While content theories explain what motivates and what does not motivate, the process theories examine the variables that go into the motivational process taking place within an individual. Some of these theories are explained below.

### **Maslow's Need Hierarchy Theory**

Abraham Maslow has propounded this need hierarchy theory as early as in 1943. Maslow points out that human beings have divergent needs and they strive to fulfill those needs. The behaviour of an individual is determined by such needs. These needs range from biological needs at lower level to psychological needs at the highest level. Further, these needs arise in an order of hierarchy or priority such that lower level needs must be satisfied before higher level needs become important for motivation. Maslow postulates five basic needs arranged in an hierarchical fashion as follows:

The first three levels of needs at the bottom are known as lower order needs as they are related to one's existence and security. The top two levels of needs are called higher order needs as they are concerned with personal development and realization of one's potential. The needs are explained below.



### Maslow's Hierarchy Needs

#### Physiological Needs

The physiological needs are the basic needs having the highest strength in terms of motivation. These are the needs arising out of biological tensions created as a result of deprivation of food, water, shelter, rest, etc. If these basic needs are gratified, then the next level needs become important and act as motivators.

#### Safety and Security Needs

Once the physiological needs are fulfilled, safety and security needs become predominant. These are the needs for self-preservation while physiological needs are for survival. These needs include security, stability, freedom from anxiety and a structured and ordered environment. Safety and security needs arise out of the concern for the fulfillment of physiological needs in the future. An individual seeks economic or social protection against future threats and dangers that he is exposed to. If once these needs are gratified, they fail to serve as motivators any more. The individual, then, moves on to the next level needs and strives for their fulfillment.

## **Social Needs**

At the third level, social needs or love needs become important. An individual cannot live an isolated life. A sense of affiliation becomes important for a meaningful life. These needs include the need for love, affection, companionship and social interaction. We know very well that at home the child needs the love of parents and at school he needs the friendship of his classmates.

This is to attain recognition from others which would induce a feeling of self-worth and self-confidence in the individual. It is an urge for status, prestige and power. Self-respect is the internal recognition while respect from others is the external recognition. People who are able to fulfill this need feel that they are useful and have some positive influence on their surrounding environment.

## **Self-actualization Needs**

At the highest level is the need to develop and realize one's capacities and potentialities to the fullest extent possible. This need gets activated as motivator when all other needs have been reasonably fulfilled. At this level, the person wants to excel in the skills and abilities that he is endowed with. As a result, he seeks challenging work assignments that require creativity and talent. This need is inner-oriented and the motivation is intrinsic in nature. A self-actualizing person is creative, independent, content, and spontaneous and has a good perception of reality. He constantly endeavors to realize his full potential.

In conclusion, it may be said that Maslow's model explains human behaviour in general. It has nothing to do with the employee motivation at the work place. Further, human needs may not necessarily have the hierarchy as shown by him. The relative dominance of not able to satisfy the social needs may prompt a person to set the physiological needs and safety needs aside and motivate him for earning the love and affection of the family members and the friendship of his colleagues.

Maslow felt that the human needs have a definite sequence of domination. Second need does not dominate until first need is reasonably satisfied and third does not dominate until first two needs have been



reasonably satisfied and so on. The other side of the need hierarchy is that man is a wanting animal, he continues to want something or the other. He is never fully satisfied, the other need arises. As said above (according to Maslow), needs arise in a certain order of preference and not randomly. Thus, if one's lower level needs (physiological and security needs) are unsatisfied, he can be motivated only by satisfying his lower level needs and not satisfying his higher level needs. Another point to note is that ***once a need or a certain order of needs is satisfied, it ceases to be a motivating factor***. Man lives for bread alone as long as it is not available. In the absence of air one can't live, but there is plenty of air which ceases to be motivating.

The physiological and security needs are finite, but the needs of higher order are sufficiently infinite and are likely to be dominant in persons at higher levels in the organisation. This has been proved by various studies. A study by Boris Blai supported this by showing that managers and professionals in U.S.A. highly value self-realisation, while service and manual workers in India reported that they give priority to job security, earnings and personal benefits all lower order needs.

### **Appraisal of Need Hierarchy Model**

The need priority model may not apply at all times in all places. Surveys in European countries and Japan have shown that the model does not apply very well to their managers. Their degree of satisfaction of needs does not vary according to the need priority model. For example, workers in Spain and Belgium felt that their esteem needs are better satisfied than their security and social needs. Apparently, cultural differences are an important cause of these differences. Thus, need hierarchy may not follow the sequence postulated by Maslow.

Another important proposition that one need is satisfied at one time is also a doubtful validity. Man's behaviour at any time mostly guided by multiplicity of motives. However, one or two motives in any situation may be more dominant, while others may be of secondary importance.

There are always some people in whom, for instance, need for self-esteem seems to be more prominent than that of love. There are also creative people in whom the drive for creativeness seems to be more

important. In certain people, the level of operation may be permanently lower. For instance, a person who has experienced chronic unemployment may continue to be satisfied for the rest of his life if only he can get enough food.

### **HERZBERG'S Two Factor theory of MOTIVATION**

A significant development in motivation theory was distinction between motivational and maintenance factors in job situation. A research was conducted by Herzberg and his associates based on the interview of 200 engineers and accountants who worked for eleven different firms in Pittsburgh area. These men were asked to recall specific incidents in their experience which made them feel particularly bad about jobs. The findings of the research led to draw a distinction between what are called as '**motivators**' and '**hygiene factors**'. To this group of engineers and accountants, the real motivators were opportunities to gain expertise and to handle more demanding assignments. Hygiene factors served to prevent loss of money and efficiency. *Thus, hygiene factors provide no motivation to the employees, but the absence of these factors serves as dissatisfies.*

Some job conditions operate primarily to dissatisfy employees. Their presence does not motivate employees in a strong way. Many of these factors are traditionally perceived by management as motivators, but the factors are really more potent as dissatisfiers. They are called maintenance factors in job because they are necessary to maintain a reasonable level of satisfaction among the employees. Their absence proves to be strong dissatisfiers. They are also known as '**dissatisfiers**' or '**hygienic factors**' because they support employees' mental health. Another set of job conditions operates primarily to build strong motivation and high job satisfaction among the employees. These conditions are 'Motivational Factors'. Herzberg's maintenance and motivational factors have been shown in the table given below.

Hygienic factors include such things as wages, fringe benefits, Physical conditions and overall company policy and administration. The presence of these factors at a satisfactory level prevents job dissatisfaction, but they do not provide motivation to the employees. So they are not considered as motivational factors, on the other hand, are essential for increasing the productivity of the employees. They are also known as

satisfiers and include such factors as recognition, feeling of accomplishment and achievement, opportunity of advancement and potential for personal growth, responsibility and sense of job and individual importance, new experience and challenging work etc.

### Herzberg's Maintenance and Motivational Factors

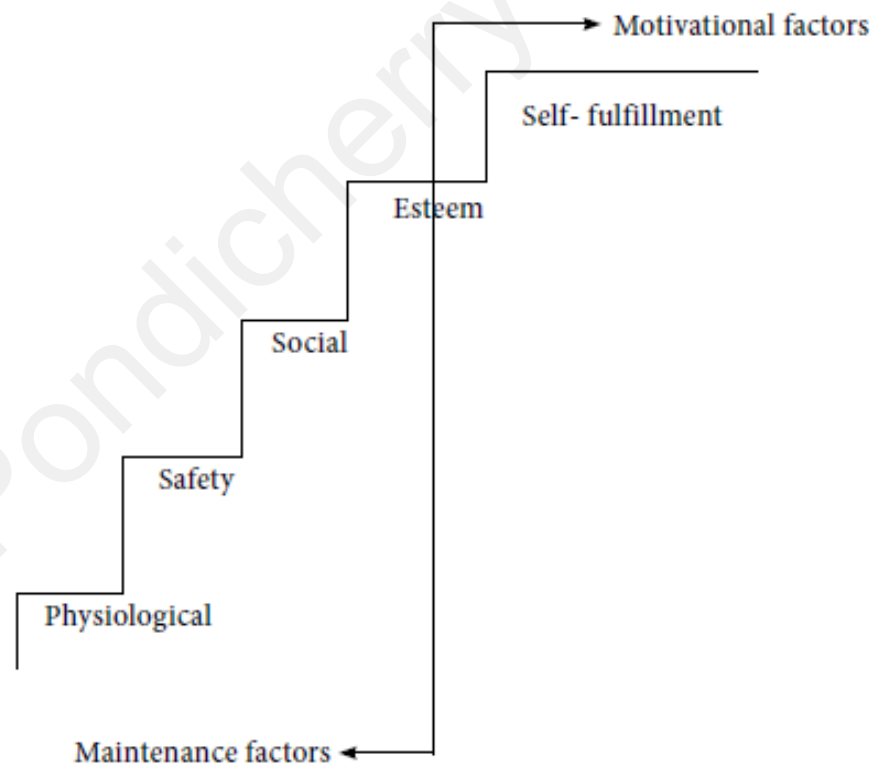
Maintenance or Hygienic Factors	Motivational Factors
<ol style="list-style-type: none"> <li>1. Company Policy.</li> <li>2. Technical Supervision.</li> <li>3. Inter-personal relations with Supervisor.</li> <li>4. Inter-personal relations with Peers.</li> <li>5. Inter-personal relations with Subordinates.</li> <li>6. Salary.</li> <li>7. Job Security.</li> <li>8. Personal life.</li> <li>9. Working conditions.</li> <li>10. Status.</li> </ol>	<ol style="list-style-type: none"> <li>1. Achievement, Administration.</li> <li>2. Recognition.</li> <li>3. Advancement.</li> <li>4. Possibility of growth</li> <li>5. Responsibility.</li> </ol>

### Comparison of Herzberg and Maslow Models

In fact, there is a great similarity between Herzberg's and Maslow's models. A close examination of Herzberg's model indicates that some employees may have achieved a level of social and economic progress in the society and for them higher level needs of Maslow (esteem and self-actualization) are the primary motivators. However, they still must satisfy the lower level needs for the maintenance of their current state. Thus, we can say that money might still be a motivator for operative employees and for some managerial employees. Herzberg's model adds to the Maslow's need hierarchy model because it draws a distinction between the two groups of factors, namely, motivational and maintenance, and points out that the motivational factors are often derived from the job itself. Most of

the maintenance factors come under comparatively lower order needs. In economically advanced countries, such needs of the employees are fulfilled and hence cease to be motivators.

As shown in the following diagram Maslow's Physiological, security and social needs come under Herzberg's maintenance factors whereas self-fulfillment comes under motivating factors. It may further be noted that a part of esteem need comes under maintenance factor and another under motivational factors. The esteem needs are divided because there are some distinct differences between status per se and recognition. Status tends to be a function of position one occupies. This position may be gained through family ties or social pressures and so this may not be a reflection of personal achievement or recognition. Recognition is gained through competence and achievement. It is earned and granted by others. That is why status is classified with physiological, safety and social needs as a hygiene factor, while recognition is classified with esteem as a motivator.



**Figure 16.3: Relationship between Maslow's and Herzberg**

### **David Mc Clelland's Three Need Model**

David McClelland gave a model of motivation which is based on three types of needs achievement, power and affiliation. They are stated below:

- (i) Need for achievement (n Ach): a drive to excel, advance and grow
- (ii) Need for power (n Pow): a drive to influence others and situations
- (iii) Need for affiliation (n Aff): a drive for friendly and close interpersonal relationships.

### **Achievement Motivation**

Some people have a compelling drive to succeed and they strive for personal achievement rather than the rewards of success. This drive is called the need for achievement (n ach). Based on his extensive research into the achievement need, McClelland found that high achievers differentiate themselves from others by their desire to do things better. They seek situations where they can attain personal responsibility for finding solutions to problems, where they can receive rapid feedback on their performance so they can set moderately challenging goals. High achievers are not gamblers; they dislike succeeding by chance. They prefer the challenge of working at a problem and accepting the personal responsibility for success or failure, rather than leaving the outcome to chance or the actions of others.

### **Power Motivation**

The need for power (n pow) is a drive to have impact, to be influential and to control others. Individuals high in n pow enjoy being “in charge”, strive for influence over others, prefer to be placed into competitive and status oriented situations, and tend to be more concerned with gaining influence over others than with effective performance. Power-motivated people wish to create an impact on their organisations and are willing to take risks to do so.

### **Affiliation Motivation**

This need has received the least attention of the researchers. Affiliation need (nAff) can be viewed as the desire to be liked and accepted by others. It is the drive to relate to people on a social basis. Individuals with a high affiliation motive strive for friendship, prefer cooperative situations rather than competitive ones, and desire relationship involving a high degree of mutual understanding.

People possess the above needs in varying degrees. However, one of the three needs will tend to be more characteristic of the individual. Individuals with a high need for achievement thrive on jobs and projects that tax their skills and abilities. Such individuals are goal-oriented in their activities, seek challenge and want task relevant feedback. Individuals with high power seek to dominate, influence or have control over others. McClelland's research revealed that managers generally score high on the need for achievement. In other words, motivating forces for managers lie in the challenge and potential of the job.

### **Alderfer's Existence-Relatedness – Growth (Erg) Model**

Serious doubts have been expressed about the existence of the five distinct need categories which Maslow hypothesized. There seems to be some over-lapping between the security, social and physiological need. Also, the lines between esteem, social and self-actualization needs are not entirely clear. With these points in mind, Clayton Alderfer condensed Maslow's need categories into three sets:

- **Existence needs.** These include all forms of materials and Physiological and safety needs, i.e., Maslow's first two levels of needs.
- **Relatedness needs.** These include all needs that involve relationships with other people we care about. The examples include anger and hostility as well as friendship. Thus, the opposite of satisfaction of relatedness needs is emotional distance rather than hatred. Relatedness needs cover Maslow's social needs and that of esteem needs which are derived from other people. – **Growth needs** – These needs involve persons making creative efforts to achieve full potential in the existing environment. It is like Maslow's highest level need of self-actualization.

### ***Alderfer also revised Maslow's theory in three other ways:***

1. He argued that the three need categories form a hierarchy only in the sense of decreasing concretions. That is, as we move from a focus on the existence to relatedness to growth needs, the ways can satisfy those needs become increasingly abstract.

2. He recognized that rise in the level of satisfaction of our existence and relatedness needs may result in decrease in their importance to us. Growth needs become more important as we successfully satisfy them. That is, as we are able to be productive and creative, we look to higher goals and, in so doing, are again dissatisfied.
3. He reasoned that we are likely to try to first satisfy the most concrete needs and then to move on to more abstract needs. In this sense, Alderfer sounds somewhat like Maslow, suggesting a pattern of satisfaction progression- that is, as one need is satisfied, we progress to next higher need.

Alderfer conceived ERG needs along a continuum which avoids the implication that the higher up an individual is in the hierarchy the better it is. Different types of needs can operate simultaneously. If a particular path towards the satisfaction is blocked, the individual will both persist along that path and at the same time regress towards more easily satisfied needs. In this way, Alderfer distinguishes between chronic needs which persist over a period of time and the episode needs which are situational and can change according to the environment.

### Reinforcement Theory

Reinforcement theory is based on the concepts of operant conditioning developed initially by the well-known psychologist B.F. Skinner. Reinforcement theory argues that the **behavior of people is largely determined by its consequences**. In other words, those actions that tend to have positive or pleasant consequences tend to be repeated more often in the future, while those actions that tend to have negative or unpleasant consequences are less likely to be repeated again. The reinforcement theory suggests that managers should try to structure the contingencies of rewards and punishments on the job in such a way that the consequences of effective job behaviour are positive while the consequences of ineffective work behaviour are negative or unpleasant. The focus of this approach is upon changing or modifying the behaviour of people on the job. That is why it is also labeled as organizational behaviour modification.

The basic notion underlying reinforcement theory is concept of reinforcement itself. An event is said to be **reinforcing if the event**

following some behaviour makes the behaviour more likely to occur again in the future. It involves the use of four strategies to systematically reinforce and are discussed as under:

(i) **Positive Reinforcement:** It entails the use of rewards (or other positive consequences) that stimulates desired behaviour and strengthens the probability of repeating such behaviour in the future. Positive reinforcers can be money, praise, promotion, recognition, etc.

(ii) **Negative Reinforcement:** This strategy also called “avoidance learning”. It implies the use of unpleasant consequences to condition individuals to avoid behaving in undesirable ways. By making unpleasant consequences contingent on undesirable behaviour, individuals learn to systematically change patterns of behaviour. In work environments, training, safety warnings, orientation sessions and counseling help alert employees against negative consequences of undesirable behaviour.

(iii) **Extinction:** There is withdrawal of all forms of reinforcement to remove undesirable behaviour. For instance, a disruptive employee who is punished by his supervisor for his undesirable behaviour may continue the disruptions because of the attention they bring. By ignoring or isolating the disruptive employee, attention is withheld and possibly also the motivation for fighting.

(iv) **Punishment:** This tool is used when an unpleasant or undesirable behaviour needs to be reduced or eliminated. For example, a worker's wages may be deducted if the quality of goods produced is of substandard quality.

### **Financial and Non-Financial Incentives**

The term ‘incentives’ means an inducement which arouses or stimulates one to action in a desired direction. An incentive has a motivational power; it influences the decisions of individuals on putting in necessary effort towards task performance. In modern organizations, a large variety of incentives are used to motivate the people. These incentives may be broadly grouped into:

- (i) Financial or pecuniary incentives, and
- (ii) Non-financial incentives.



The financial incentives may be distinguished from the non-financial incentives on the following grounds:

1. Financial or monetary incentives are meant to satisfy those which money can buy. The needs for food, clothing, and shelter can be fully satisfied by money, but the needs for security, social affiliation and status can be partially satisfied by money. But non-pecuniary incentives are meant for satisfaction of those needs which can't be satisfied by money. The examples are higher level needs such as status, ego, sense of responsibility, career advancement, autonomy.

2. Financial incentives are tangible, i.e. visible and measureable; they have a direct effect on the organization and the members. But non-financial incentives are intangible and they have an indirect influence on the organization and the members.

3. Financial incentives are determined by reference to several factors such as job evaluation, cost of living trends, fringe benefits offered by competitors, agreement between the employers and employees, etc. Non-financial incentives are based on the nature of jobs, strength of aspirations and urges of employees and behavioural orientation of management.

4. Financial incentives are generally used to motivate workers and other non-managerial employees. But non-financial incentives are used to motivate managerial and other higher level personnel. They are also used to supplement and support the pecuniary incentives in the organization.

### **Role of Non-Financial Incentives**

Financial incentives do not work for ever to motivate the people at work. As a matter of fact, when the physiological and security needs are fulfilled with the help of money, money ceases to be the motivating force; it becomes the maintenance factor as said by Herzberg. Therefore, employees do not always run after money. They have other needs also. They want status and recognition in the society, they want to satisfy egoistic needs and they want to achieve something in their lives. In order to motivate the employees having these needs, management can take the help of following non-financial incentives:

**1. Praise:** Praise satisfies one's ego needs. Sometimes, praise is more effective than another incentive. We have seen that in industry, at home or elsewhere, people respond better to praise. However, this incentive should be used with greater degree of care because praising an incompetent employee would create resentment among competent employees. Of course, occasionally, a pat on the back of an incompetent employee may act as incentive to him for improvement.

**2. Competition:** Competition is a kind of non-financial incentive. If there is a healthy competition among the individual employees or groups of employees, it will lead them to achieve their personal or group goals in a better way.

**3. Opportunity for Growth:** Opportunity for growth is another kind of incentive. If the employees are provided opportunities for their advancement and growth and to develop their personality, they feel very much satisfied and become more committed to the organization and become more committed to the organizational goals.

**4. Feedback:** Knowledge of the results/performance leads to employee satisfaction. A worker likes to know the result of his performance. He gets satisfaction when his superior appreciates the work he has done.

**5. Worker's participation in Management:** Employees participation in management provides an important incentive to the employees. It gives them psychological satisfaction that their voice is being heard.

**6. Suggestion System:** Suggestion system is an incentive which satisfies many needs of the employees. Many organizations which use the suggestion system make use of cash awards for useful suggestions. They, sometimes, publish the worker's name with his photograph in the company's inhouse magazines/reports/brochures. This motivates the employees to be in search for something which may be of greater use to the organization.

### Review Questions

1. 'Motivation is the core of management'. Comment. What practical suggestions would you offer to management to motivate its staff in an industrial organization?

2. Explain Maslow's need hierarchy. Is this hierarchy rigid? Discuss with suitable examples.
3. Explain Herzberg's Two Factor Theory and differentiate it from Maslow's Theory of Need Hierarchy?
4. List out the assumptions of McGregor's Theory X and Theory Y. Which one is applicable in India?
5. "Motivation is based on rewards". Explain the statement and discuss various types of motivators.
6. "Money holds the key to work motivation in modern business organizations." Discuss and give also the role of non-financial incentives in motivation.
7. "Non-financial incentives are as strong motivators as the financial ones". Critically examine this statement in the light of Maslow's and Herzberg's theories of motivation.

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## Lesson 2.4 - Values And Attitudes

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### Objectives

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

- Understand The Meaning And Types Of Values;
- Familiarize With The Changing Value System At Work Place;
- Know The Attitudes And The Formation Of Attitudes; And
- Appreciate The Implications Of Attitudes In Organizations.

### Lesson Outline

- Importance, Sources & Types Of Values
- Values At Workplace
- Attitudes And Their Formation
- Types Of Attitudes
- Implications Of Attitudes
- Review Questions

At the outset, let us examine a few definitions of values. According to Rokeach “values represent basic conviction that a specific mode of conduct or end state of existence is personally or socially preferable to an opposite or converse mode of conduct or end state of existence”. Chakravarti defines values as “the manner in which an individual tends to make judgements or choices, both about goals and means, at different stages of one’s life, in different facets of it, as are deemed to lead to the well being and happiness of oneself and society”.

From the above, we understand that values are learnt from the society and hence are acceptable to the society as preferred ‘modes of conduct’ or ‘end states’. Values are stable and long-lasting beliefs about what is important in a variety of situations. They are evaluative standards that help us distinguish between right and wrong or good and bad in the world. Values do not represent what we need but they indicate what we ought to do to achieve the need in a socially desirable way. Some people

value practicality while others value aesthetics. Some people value frugality while others value generosity. Values influence our priorities, preferences and our actions. Value systems represent prioritizing of individual values in relation to their relative importance. We all have a set of values that form a value system. This system is identified by the relative importance assigned to such values as pleasure, self-respect, honesty, freedom, equality, and so on. Consequently, values of an individual influence his attitudes and also his behaviour.

### **Importance of Values**

In the organisational context, values are important because they influence employee conduct and behaviour. They play a vital role in behavioural disposition and the decision making behaviour of an individual. Now-a-days, employees resent the traditional command-and-control supervision and expect a lot of autonomy and operational freedom. Organizational ethics is becoming important in view of the manipulations and malpractices indulged in at various levels in the organization. It has something to do with the values of that organization.

Values influence behaviour of an employee in several ways. If an employee feels that payment of wages on the basis of performance is right, he / she cannot accept payment of wages on the basis of seniority, he becomes indifferent to such a system followed in the organization. Therefore, the values of individuals need to be studied, so that employees' values could be matched with that of the organization.

### **Sources of Values**

Values are learnt right from the childhood. They are taught by mother when she guides the child in several ways like "you go to bed early", "you should wear clean clothes", "you should achieve first rank" and things like that. Early ideas of what is right and wrong were probably formulated from the views expressed by the parents. As one grows, there is a likelihood of getting exposed to other value systems and be induced by them. We derive the values from the people we love or respect like our parents, teachers, friends, and other famous celebrities in movies, sports, business, and politics. Out of our admiration for them, we are likely to emulate them by imbibing their values also.

You may remember that in our culture itself, certain values have been developed over time and they are continuously reinforced. Peace, cooperation, harmony, equity, and de-mocracy are the desirable societal values nurtured in our culture.

It is interesting to know that values are relatively stable and enduring. This is because of the way in which they are originally learned. In childhood, you are told that a certain behavior is always desirable or always undesirable. You are told, for example, that you should be honest and truthful. It is this absolute learning of values which ensures their stability and endurance. You may also note that values of an individual do change, but change very slowly. The process of questioning our values may lead to change in the existing values system.

### **Types of Values**

You may note that values do not operate in isolation. Several values interact with each other to form value system in a society. According to Rikeach, value systems are composed of rank-ordered sets of values that fall into two general categories namely terminal values and instrumental values.

Terminal values reflect the desired end states of existence whereas instrumental values are related to the choice of behaviour in reaching those end states. Terminal values are desired states of existence that we try to achieve. Preferences like duty, equality and wisdom and a compatible life are some of the terminal values. On the other hand, instrumental values are desirable modes of behaviour that help us reach terminal values. Being polite, courageous, logical, self controlled, ambitious etc., are some of the instrumental values.

Values can be categorized on the basis of the level at which they operate. These may be:

- Personal values which are formed from past experience and interaction with others;
- Cultural values which are the dominant beliefs held collectively society;
- Organizational values which are at the heart of organizational

culture in terms of shared assumptions, values and beliefs; and

- Professional values which are held by the members of an occupational group.

Values may also be classified as the espoused values and enacted values. Espoused values represent the values that we want other to believe we avoid by. Values are socially desirable and so people create a positive public image by claiming to believe in values that others expect them to hold. Contrary to this, enacted values represent the values actually practiced. These values, in fact, guide our decisions and behaviours.

It may be recognized that values are functions of preferences. The most important early work in categorizing values was done by Allport and his associates. They identified six types of values. They are:

1. Theoretical-places high importance on the discovery of truth through a critical and rational approach.
2. Economic-emphasizes the usefulness and practicability.
3. Aesthetic-places the highest value on form and harmony.
4. Social-the highest value is given to the love of people.
5. Political-places emphasis on acquisition of power and influence.
6. Religious-concerned with the unity of experience and understanding of the cosmos as a whole.

Allport and his associates developed a questionnaire that describes a number of different situations and asked respondents to rank fixed set of answers. Based on the respondents' replies, the researchers could rank individuals in terms of the importance they give to each of the six types of values. The result is a value system for a specific individual.

### **Values at Workplace**

The values at work place may be defined as the perception of what is preferable from among the alternative modes of conduct or end states with respect to one's work. Work values are expected to be an integral part a nation's cultural system and hence we notice differences between the work values of American organizations and Japanese organizations. They represent the values internalized by members of the society through the process of socialization. In global organizations, now-a-days, it is

becoming difficult to achieve congruence between the diverse values of employees and those of the organization.

While defining managerial values, Indian executives mentioned work ethics, commitment, self-motivation, integrity, hard work, character etc. It is reported in a study that the most important goals of an ethical Indian manager are customer satisfaction, achievement of organizational goals within scheduled time, employee motivation and career progress. According to Upadhyay, Indian managers are status and power oriented and considers decision making as their prerogative and consultation as a means of eroding their authority. They tend to take credit for work done by them rather than share it with individual members of the team. It may be noted that while values are stable and enduring, they are not rigid. Therefore, new generations of employees may bring into the organizations new set of values.

In some of the studies age has been found to be a major factor in differentiating employee values. Young employees give importance to more autonomy at work place, instant gratification, quick growth, individualism, and openness compared to older employees.

As a result, young employees bring a different set of values to the work place. Hence, management should understand those new values and accordingly deal with them for good performance. Managers have to study values because they are the foundations for understanding a person's attitudes, perceptions, motivation and behaviour in the organization.

### **Attitudes and their Formation**

Having understood the values, let us try to understand the attitudes and their formation. You should recognize that attitudes are evaluative statements- favorable or unfavorable- concerning objects, people, or events. They indicate how one feels about something. When you say "*I like my job,*" or "*I hate telling lies*" they represent your attitudes.

Attitudes are different from values. Values could be a little broader in concept while attitudes are more specific. Values indicate the rightness or desirability of something. For example, a statement like "gender discrimination is bad" reflects the values one stands for. On the other



hand, a statement “I prefer women to be given an equal place with men in recruitment” represents the attitude of a person. Attitudes are learned predispositions towards various aspects of our environment.

While, attitudes and values are different, there are also some similarities. Both are powerful instruments influencing cognitive process and behaviour of people. Both are learned and acquired from the same sources – people and objects. Both are relatively permanent and resistant to change. Both values and attitudes influence each other and are used interchangeably. Hence, values people hold can explain their attitudes and, in many cases, the behaviours they engage in. However, we cannot determine which values underlie which attitudes and behaviours.

### **Sources of Attitudes**

As already explained, attitudes, like values, are acquired from the environment - parents, teachers, friends, and colleagues. It may be noted that they are only acquired but not inherited. We begin modeling our attitudes after those we admire and respect. We observe the way family members and friends behave and we shape our attitudes and behavior to align with theirs. You tend to imitate the attitudes of famous persons or those you admire and respect. Attitudes may also be developed from a personally rewarding or punishing experience with an object or event. If employees are rewarded for being regular in an organization, you are likely to believe that you will also be rewarded if you are regular.

In contrast to values, attitudes are less stable. That is why advertising messages attempt to change your attitudes toward a certain product or service. If Maruti Company is able to create a favorable opinion towards their car, that attitude may lead to a desirable behavior i.e., the purchase of Maruti car.

Therefore, sound understanding of attitudes is important for managers because they affect job behavior. Manager's knowledge can serve two purposes. Firstly, it helps him in understanding and predicting how a person is likely to behave. Secondly, it helps him in changing unfavorable attitudes into favorable attitudes.

## **Types of Attitudes**

A person may have a multitude of attitudes, but for the purpose of our study let us know about the job-related attitudes. These job-related attitudes are positive or negative evaluations held by employees about various aspects of their work environment. Essentially, there are three important attitudes concerned with job: job satisfaction, job involvement, and organizational commitment.

### **Job Satisfaction**

One of the tasks of a manager is to provide job satisfaction to the employees. Job satisfaction refers to an individual's general attitude toward his or her job. A person with a high level of job satisfaction holds positive attitudes toward the job, while a person with low job satisfaction holds negative attitudes towards the job. When we talk about employee attitudes, mostly we mean job satisfaction. As a matter of fact, the two are closely related.

### **Job Involvement**

The term "job involvement" is relatively a recent concept in the literature. There is no complete agreement over what the term means. Generally, it refers to the degree to which a person identifies with his job, actively participates in it, and considers his performance important to his self-worth. Individuals who express high involvement in their jobs are likely to be more productive, have higher satisfaction, and are less likely to resign than employees with low involvement.

### **Organizational Commitment**

Commitment reflects an individual's orientation toward the organization by tapping his or her loyalty to, identification with, and involvement in the organization. Individuals who are highly committed see their identity as closely attached to that of the organization. Like job involvement, highly committed employees will be better performers and have lower turnover than those with low levels of commitment to the organization.

It may be understood that when people talk about job attitudes and their impact on behavior, obviously they are referring to the positive or negative appraisals that people make about their job or organization. Job satisfaction is the most popular attitude measured in organizations, but more recently there has been increased attention given to job involvement and organizational commitment. All these attitudes are measured with a view to predict employee behaviours like performance, productivity, absenteeism, turnover and unionization.

## **Implications of Attitudes**

### **Attitudes and Productivity**

The attitude-productivity relationship is not very clear. Bradfield and Crockett in 1955 made an extensive study of this relationship and concluded that there was minimal or no relationship between attitudes and performance. However, two years later, Herzberg and his associates concluded from the review of studies that there was generally a positive relationship between attitudes and productivity. However, they noted that in many cases the correlations, although positive were low. Similarly, a review in 1964 of twenty-three separate studies revealed that, except in three cases, there was a low but positive relationship between satisfaction and performance. It is clear that the studies on the relationship between attitudes and productivity give rise to mixed findings.

### **Attitudes and Withdrawal Behaviors**

It was found in earlier studies that employee satisfaction is inversely related to absenteeism and turnover. The higher the job satisfaction on the part of an employee, the lower is the scope for employee's withdrawal behavior. Bradfield and Crockett found a significant but complex relationship between attitudes and both absenteeism and turnover. Vroom found a consistent negative relationship between job satisfaction and turnover, but a less consistent negative relationship between satisfaction and absenteeism. A few studies have also found that satisfaction has a consistent impact on absenteeism, but an even more profound and consistent relationship on turnover. However, the conclusion that employee satisfaction and absenteeism are inversely related has come under attack in the recent times.

There is also a view that organizational commitment is a better predictor of voluntary resignations than job satisfaction. If this is true, efforts to develop valid measures of organizational commitment may be of greater importance to managers. In conclusion, the evidence is fairly clear that organizations with committed and satisfied employees have lower rates of both turnover and absenteeism.

### **Attitudes and Satisfaction**

Attitudes towards job and job satisfaction are closely related. In many research studies, these terms are used interchangeably. In studies of job attitudes, it is generally thought that the result is some measure of job satisfaction or dissatisfaction. Job satisfaction, however, is not a behavior but rather a general feeling of contentment with the job. As a result, if attitudes are positive, job satisfaction tends to be positive. On the other hand, if the attitudes are negative, satisfaction tends to be low. Therefore, if a manager wants to have employees satisfied with their jobs, he should strive to create in them positive attitudes toward their job and the organization.

### **Review Questions**

1. What are values? How are they important?
2. What do you know about the values at work place?
3. What factors influence the formation of attitudes?
4. Explain the implications of job attitudes in organisations.

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## Lesson 2.5 - Stress Management

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### Objectives

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

- Know The Meaning Of Stress And Its Causes;
- Understand How Stress Levels Change On The Basis Of Occupational And Individual Differences;
- Acquaint With The Consequences Of Stress On Employee Performance And Behaviour; And
- Appropriate Strategies For Managing Stress.

### Lesson Outline

- Causes Of Stress
- Occupational Differences And Stress
- Individual Differences And Stress
- Consequences Of Distress
- Managing Work- Related Stress
- Review Questions

People often think of stress in negative terms and believe that it is caused by something bad in the environment. For example, a family member becomes ill, a student fails to get admission into the desired course or an employee is scolded by his superior for late coming. All this is a form of stress. However, there is a positive side of stress caused by good things like a student securing admission into medicine or an employee getting promoted as a manager. This is called eustress. The Greek word eu means good. Therefore, at work places employees may experience bad stress as a result of demotion or good stress caused by increased job responsibility and time pressure that go with a promotion.

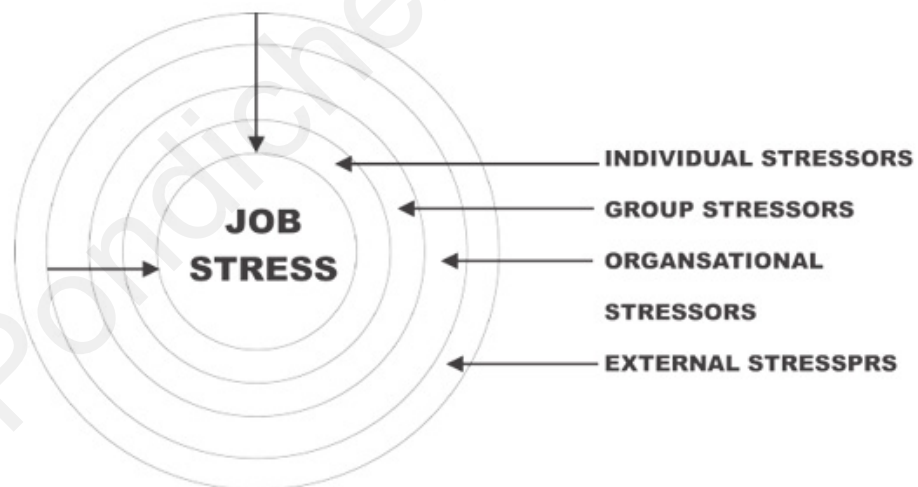
In fact, there are numerous definitions of job stress. Ivancevich and Matteson define stress simply as “the interaction of the individual with the environment”. They give a more detailed definition of stress as “an adaptive response, motivated by individual differences and/or psychological

processes that are a consequence of any external (environmental) action, situation, or event that places excessive psychological and/or physical demands on a person”.

Beehr and Newman define job stress as “a condition arising from the interaction of people and their jobs and characterized by changes within people that cause them to deviate from their normal functioning”. As such, stress is an adaptive response to a situation that is challenging or threatening to the person. It may be noted that stress is a person’s reaction to a situation but not the situation itself.

### Causes of Stress

Let us examine the causes of stress now. The factors contributing to stress are called stressors. Stressors exist in the environment and they make a physical or emotional demand on the person. Stressors emanate from both within the organization and outside which can be classified as external stressors, organizational stressors, group stressors and individual stressors as shown in the following diagram.



**Factors contributing to Job Stress**

### External Stressors

In the analysis of job stress, we tend to ignore outside forces or events. In fact, they have a greater impact on stress. Quite often, we experience plenty of stress situations outside the organizational settings. External stressors stem from societal changes, globalization, family, economic conditions, relocation, race, religion and community conditions. You have

to remember that when employees join the organizations, the stressors are also carried over which affect their behaviour. In the changing situation, inspite of the advancement in medical sciences modern living is associated with increased stressful conditions. Obviously, it all tells on the health and well being of an individual. The life styles have changed significantly giving rise to several anxieties and tensions. As a result, potential job stress has increased.

Outside the organization, a person's family also plays an important role in contributing to stress conditions. An illness of the family member or a strained relation with spouse or a child may create stress for an employee. Not able to properly balance the family responsibilities and the job responsibilities, employees experience a lot of stress. For example, a psychologist reports that divorce between wife and husband interferes with work more than any other trauma in a person's life. It is pointed out that in the first three months after a spouse walks out, the employee becomes incapable of focusing on work.

In addition, now-a-days various developments in the macro level scenario like frequent communal riots, strikes, violence, religious conflicts, oppressions, harassments, kidnaps, suicides, attacks by extremists have all become a common place. Living in such an environment, a person is exposed to a variety of stressful situations.

### **Organizational Stressors**

Organizational stressors are many and manifest themselves in different forms. You may note that any change in organization is stressful. Technological changes and structural changes happen too frequently. Mergers and acquisitions are increasingly resorted to. It is needless to say that downsizing of workforce is extremely stressful to those who lose their jobs. Layoff survivors also experience stress due to higher workloads, feeling of guilt, job insecurity, and the loss of friends at work.

In the physical environment of an organization, you find stressors in the form of high temperature, excessive noise, lack of privacy, poor lighting, safety hazards and poor quality of air. A study observed that in a noisy plant, level of stress significantly decreased when they were supplied with ear protectors. In another study, it was found that clerical employees

experienced significantly higher stress levels in noisy open offices than in quiet areas.

### **Group Stressors**

As you are aware, within an organization, there are several groups that function at different levels. A number of stressors arise at group levels which are discussed below.

#### **Lack of Group Cohesiveness:**

Cohesiveness means “togetherness”. Employees should remain a cohesive group. If the cohesiveness does not exist among employees, it may lead to job stress. Cohesiveness of the group may be lost because of the task design, or animosities of group members, or the supervisor trying to limit it.

#### **Lack of Social Support:**

Employees have different social groups for different purposes. These play an important role in extending support to an employee. By sharing their joy and sorrow with others, they feel comfortable and happy. In the absence of this kind of mutual social support, the situations prove to be very stressful. There are research studies indicating that lack of social support is so stressful that it results in health care costs. You may note that group level dynamics may also act as stressors. A study indicated that organizational politics was a potential source of stress in the work environment.

### **Interpersonal Stressors**

Interpersonal stressors like group competition, ineffective supervision, office politics, and other conflicts are many in the organizations. The more an employee is required to interact with other people, the more is the scope for stress. As you are aware, in banks and call centers, the employees experience a lot of stress because of the uncooperative customers and high targets to be achieved.



## **Individual Stressors**

At individual level, there are many factors that contribute to stress, most of which are role related. Role related stressors include conditions where employees have difficulty in understanding, reconciling, or performing the various roles in their lives. The four main role-related stressors are role conflict, role ambiguity, workload, and task control.

### **Role Conflict**

Role conflict occurs when people face competing demands. Inter-role conflict exists when employees have two roles to play which are conflicting. For example, people in supervisory cadre in organizations face this kind of conflict as they have to meet the expectations of management on the one hand and the expectations of workers on the other. Role conflict also occurs when an employee receives contradictory messages from two superiors about how to perform a task or work with organizational values and work obligations that are incompatible with his or her personal values. The working women often experience role conflict between their job responsibilities and family obligations.

### **Role Ambiguity**

Role ambiguity exists when employees are uncertain about their job duties, performance expectations, level of authority, and other job conditions. This ambiguity tends to occur when people enter new situations like joining as a manager in an organization accepting a foreign assignment. This is because they are uncertain about task and social expectations that go with the new positions.

### **Workload**

Workload is a well-known job stressor. But you remember that work under-load, receiving too little work or having tasks that do not sufficiently use your talents, is also a possible stressor. Now -a-days, employees have either too much to do in too little time, or they work too many hours on the job. Long work hours may lead to unhealthy lifestyles, which, in turn, cause heart disease, back pain or eye sight. For instance, work overload is a problem in most of the software organizations in India leading to health

problems.

### **Occupational Differences and Stress**

Several studies have attempted to identify which jobs have more stressors than others. You may note that one problem with rating occupations in terms of their stress levels is that a particular occupation may have considerably different tasks and job environments in different organizations and societies. The job of a police officer may be less stressful in a small town than in a large city where crime rates are higher and the organizational hierarchy is more formal.

Another important point for you to remember is that a major stressor to one person may be insignificant to another. We cannot conclude that people in high-stress occupations actually experience higher stress than people in other occupations. Some jobs expose people to more serious stressors, but careful selection and training can result in stress levels no different from those experienced by people in other jobs.

### **Individual Differences and Stress**

You have already understood that individuals differ in their personality characteristics. These differences determine the stress levels experienced by the people. Two people may be exposed to the same sources of stress like meeting a deadline for achieving a goal. However, in terms of stress levels they may be different.

Some individuals are more prone to stress than others. It may be on account of demographic differences and cognitive differences. Demographic differences are related to age, health, education and occupation. Age causes stress because as people go through the life stages, certain things are expected of them. As they grow, they have to shoulder greater responsibilities. Health is another factor influencing stress. Healthy people can cope with stress more than sick people. Education is also important in this context. If the person is not educated, he feels unworthy and that may cause stress. Coming to occupation, it is needless to say that every occupation involves some kind of stress or other.

Cognitive differences are satisfaction, locus of control and type of personality. Persons having greater urge for satisfaction work hard and try to excel others. This may lead to overwork and also burnout. Locus of control refers to one's feeling of the extent to which he is able to control the surrounding world. The greater the person's perception of control over the environment, the lesser is his proneness to stress. Another cognitive factor is personality. As explained earlier, there are two types of personalities – Type A and Type B. Type A personalities are involved in struggles to get more and achieve more. Therefore, they are more prone for stress. On the other hand, Type B personalities are more patient and easy going. They are interested in achieving goals but follow different ways for the purpose. As a result, they are less prone for stress.

### **Consequences of Stress**

Stress has serious consequences on health as well as job performance. Stress results in a variety of physiological, psychological, and behavioral consequences.

#### **Physiological Consequences**

Stress takes its toll on the human body. Studies have found that students who are anxious about their exams are more susceptible to colds and other illnesses. As you are aware, many people experience tension or headache due to stress. Others get muscle pain and related back problems. These physiological ailments are attributed to muscle contractions that occur when people are exposed to stressors.

#### **Psychological Consequences**

Stress results in various psychological consequences like job dissatisfaction, moodiness, and depression. Emotional fatigue is another psychological consequence of stress which is called job burnout.

#### **Job Burnout**

Burnout is the process of emotional exhaustion, depersonalization, and reduced personal accomplishment resulting from prolonged exposure to stress. The term “job burnout” was not known 50 years ago; but it's

a much talked about phenomenon these days. Job burnout is a complex process that includes the dynamics of stress, coping strategies, and stress consequences. Burnout is caused by excessive demands made on people who serve or frequently interact with others. Interpersonal and role-related stressors cause burnout.

There are three components of job burnout. The first one is **emotional exhaustion**, which plays a key role in the burnout process. It is characterized by lack of energy and a feeling that your emotional resources are exhausted. Emotional exhaustion is sometimes called compassion fatigue because the employee no longer feels able to give as much support and caring to clients.

The second one is **depersonalization**, which is identified by the treatment of others as objects rather than people. Employees subjected to burnout become emotionally detached from clients and cynical about the organization. This detachment reaches the point of callousness far beyond the level of detachment normally required in execution of tasks, more particularly in service sector. Depersonalization can be seen when employees strictly follow rules and regulations rather than try to understand the client's needs and search for a mutually acceptable solution.

The third component of job burnout is **reduced personal accomplishment**. It refers to the decline in one's competence and success. In other words, the person's self-efficacy declines. In these situations, employees develop a sense of learned helplessness, as they no longer believe that they make a difference.

### **Behavioral Consequences**

When stress becomes distress, job performance comes down and workplace accidents increase. High stress levels impair your ability to remember information, make effective decisions, and take appropriate actions. You probably experience this kind of distress in exams. You are likely to forget important information and commit mistakes.

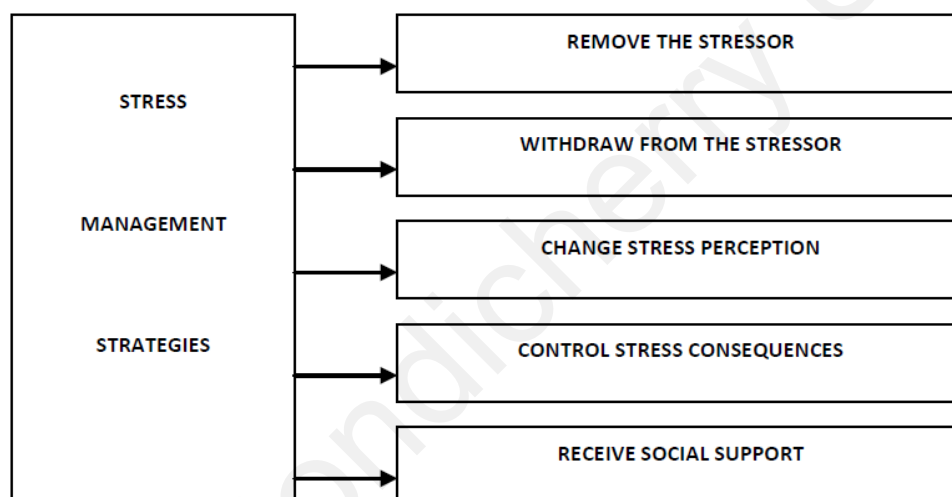
Overstressed employees also tend to absent from work frequently. This is because stress makes people sick. Sometimes absenteeism is used as a stress coping mechanism. Normally, we react to stress through fight or

flight. Absenteeism is a form of flight-temporarily withdrawing from the stressful situation so that we find time to re-energize ourselves.

Sometimes workplace aggression may be the consequence of stress. Aggression represents the fight reaction to stress. In its mildest form, employees engage in verbal conflict. They are not likely to empathize with co-workers. Occasionally, it may lead to more dangerous levels of workplace hostility.

### Managing Work-Related Stress

In managing work related stress, both the organization and the employees have joint responsibility. Stress management often includes several strategies. These are shown in the following diagram.



**Stress Management Strategies**

### Remove the Stressor

An important way companies can effectively manage stress is by removing the stressors that cause unnecessary tension and job burnout. Other stress management strategies may keep employees. “Stress-fit”, but they don’t solve the fundamental causes of stress.

In managing stress, organizations have to investigate the main causes of stress in their workplace. For example, you may ask employees to complete confidential questionnaires to identify when and how they

experience stress. You may remember that one of the most powerful ways to remove workplace stressors is to empower employees so that they will have more control over their work and work environment. Placing employees to positions that match their competencies can minimize role related stressors. Noise and safety risks are stressful, so improving these conditions would also go a long way to minimize stress in the workplace.

### **Family-Friendly and Work-Life initiatives**

The most common work-life balance initiatives are flexible work time, job sharing, telecommuting, personal leave programs, and childcare support. Many firms have flexible timings with regard to the hours, days, and amount of time employees want to work.

Job sharing splits a career position between two people so that they experience less time-based stress between work and family. They typically work different part of the week, with some overlapping work time in the weekly schedule to coordinate activities.

Telecommuting reduces the time and stress of commuting to work and makes it easier to fulfill family obligations, such as temporarily leaving the office to pick up the kids from school. Research suggests that telecommuters experience a healthier work-life balance. Employers with strong work-life values offer extended maternity, paternity, and personal leaves to care for a new family or elderly parents who need assistance. Childcare support reduces stress because employees need not rush to drop off their children and less worried during the day about how well they are doing.

### **Withdraw from the stressor**

Removing the stressor may be an ideal solution, but that is not always possible. An alternative strategy is to permanently or temporarily take employees away from the stressor. Permanent withdrawal occurs when employees are transferred to other jobs.

## **Change stress perceptions**

You have earlier learnt that employees experience different levels of stress in the same situation because of their perceptual differences. Therefore, changing perceptions of the situation can minimize stress. This strategy does not involve ignoring risks or other stressors. Rather, it involves strengthening the self-efficacy and self-esteem of a person so that job challenges are not perceived as threatening.

## **Control the consequences of stress**

Managing workplace stress also involves controlling its consequences. Research studies show that physical exercise reduces the physiological consequences of stress by helping employees lower their respiration, muscle tension, heartbeat and stomach acidity. Beyond fitness programs, some companies offer wellness programs that educate and support employees in terms of better nutrition and fitness, regular sleep, and other healthy habits. Another way to control the physiological consequences of stress is through relaxation and meditation.

## **Employee Assistance Programmes**

Now-a-days many large firms offer **employee assistance programs** in the form of counseling services that help employees overcome personal or organizational stressors and adopt more effective coping mechanisms. Personal problems and family problems are solved through these programs. Employee assistance programs can be one of the most effective stress management interventions where counseling helps employees understand the stressors, acquire management skills and practice those skills.

## **Receive Social Support**

Receiving social support from co-workers, supervisors, family, friends, and others is one of the more effective stress management strategies. Social support refers to the person's interpersonal transactions with others and involves providing either emotional or informational support to buffer the stress experience.

Social support reduces stress in at least three ways. First, employees improve their perception that they are valued and worthy. This, in turn, increases their self-esteem and perceived ability to cope with the stressor. Second, social support provides information to help employees interpret, comprehend, and possibly remove the stressor. Finally, emotional support from others can directly help buffer the stress experience. People seek out and benefit from the emotional support of others when they face threatening situations.

### **Review Questions**

1. What is job stress?
2. What are organisational stressors?
3. How do stress levels change from one individual to another?
4. What strategies do you adopt for managing job stress?

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**UNIT – III**

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**Lesson 3.1 - Group Dynamics**

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**Objectives**

*After reading this lesson, you should be able to:*

- Understand How Groups Are Formed In The Organizations;
- The Influence Of Groups In The Work Place; And
- Manage The Groups Effectively To Achieve The Organization Goals.

**Lesson Outline**

- Types Of Groups
- Theories Of Group Formations
- Reasons For Formation Of Groups
- Review Questions

The behavior of people as an individual and as a member of a group widely differs. It may be noted that modern organizations are made up of people and obviously any organization is as good as its people. It is also true that individuals in an organization do not work in isolation. Much of the work in organization is done by groups of people. Therefore, it is important for a manager to understand how groups are formed in the organization and the performance and expectations of the members of various groups.

Research has well established that people in organizations form into groups in order to fulfill their social needs. Hawthorne experiments conducted by Elton Mayo and his team established that people at the work place behave as members of a group and the membership shapes their work behavior and attitudes towards organizations. *The social process by which people interact with one another in groups is called group dynamics.* Group dynamic focuses on team work where small groups contact with each other and share common ideas to accomplish the goals. Thus, a group consists of two or more persons to interact with each other consciously for

the achievement of certain common objectives. The members influence the group and in turn are influenced by others in the group. To quote David Smith *“a group is a set of two or more individuals who are jointly characterized by a network of communication, a shared sense of collective identity and one or more shared dispositions with associated strength”*.

In order to be called a group, an aggregation of persons must satisfy the following conditions:

- I. People must interact with one another,
- II. People must be psychologically aware of one another, and
- III. People should perceive themselves to be a group.

Groups are useful for organizations as they provide norms of behavior for its members. They provide a mechanism for people at work place to talk to one another about job or personal problems. They provide a feeling of camaraderie, companionship and understanding. Groups enable the members gain a feeling of belongingness through which the members derive esteem, recognition and status. A sound understanding of the group dynamics at the work place keeps the manager in a good stead so that appropriate initiatives for behavior modifications and to introduce change can be implemented.

### **Types of Groups**

The following types of groups coexist in every organization.

**i. Formal Groups:** Formal Groups are a part of the organization structure. They are created deliberately by the management to perform the assigned duties. Work groups, committees and quality circles fall in this category. These groups are characterized by clear-cut authority-responsibility relationships. The pattern of communication is also well defined. Rules are laid down to regulate the behavior of group members.

**ii. Informal Groups:** Informal groups arise spontaneously at the work place because of social interaction between the people. They are created by individuals rather than by management. They are based on common interest, language, taste, religion, background, etc. Thus, informal

groups are alliances that are not officially planned. These groups are natural entities in the work environment. Informal groups are more flexible than the formal groups. Since they concentrate on personal contacts between the members, they represent the human side of enterprise as compared to technical side represented by the formal groups.

**iii. Command and Task Groups:** Formal groups may be sub- classified into command and task groups. The command group is composed of subordinates who report directly to a common boss. Thus, a supervisor and the operative employees reporting to him form a command group. The task group, on the other hand, represents those working together to complete a given task. A task group or teams, say for the introduction of a new product or service, is usually formed to complete an assignment that involves a number of departments. Further, a command group is more permanent than a task group in the organization.

**iv. Interest and Friendship Groups:** Informal alliances may take the shape of interest and friendship groups. An interest group consists of people having a specific objective and not aligned to common command or task groups. For instance, employees who group together to pressurize the management for free transport and other benefits constitute an interest group. But a friendship group includes close friends or relatives. These relations even extend outside the organization. The group members know each other very well and have good relations.

## Clique

A clique consists of those people who have frequent interactions and observe certain norms and standards. Its purpose is to gain and control power. The number of members of a clique is restricted to five or six organizational members. Some members of a clique may also form another group which may even consist of some persons who are not members of the organization. Thus, the group known as sub-clique is partially external to the organization.

Datton has identified three types of cliques as follows:

**i. Vertical clique:** It consists of people working in the same department drawing membership regardless of ranks. For example, superior may be a

member in a group consisting mainly of subordinates. Such groups cutting across hierarchical lines develop because of the earlier acquaintance of people or because the superior is dependent upon the subordinate for some formal purposes.

**ii. Horizontal clique:** It consists of people of more or less same rank and working in the same unit. This is the most common kind of informal group. The members have certain common interest for whose achievements they follow certain norms and standards.

**iii. Mixed or random clique:** Such a group draws members from different ranks, departments and physical locations that come together for a common purpose. The members may be residing in the same locality and travelling by the common bus, or they may be members of the common club.

### **Theories of Group Formation**

The following four theories explain why and how groups are formed:

#### **Propinquity Theory**

Individuals affiliate with one another because of spatial or geographical proximity. In an organization, employees who work in the same area of the plant or office would more probably form into groups than those who are not physically located together. The propinquity theory explains a basic factor, i.e., proximity of people at the work place which leads to formation of groups. This phenomenon is observed in daily practice by all of us. However, it is not essential that groups must come up because of proximity of people at the work place. There may be several other reasons for the formation of groups. Thus, the propinquity theory is not analytical; it does not consider the complexities of group behavior.

#### **Homans' Theory**

According to George C. Homans, "The more activities persons share, the more numerous will be their interactions and the stronger will be their shared activities and sentiments: and the more sentiments persons have for one another, the more will be their shared activities and interactions. The

Homans theory has contributed a great deal to the understanding of group formation. It is based on three concepts, namely activities, interactions and sentiments which are directly related to each other. The members of a group share activities and interact with one another not just because of physical proximity, but also to accomplish group goals. The key element is interaction because of which they develop common sentiments for one another.

### **Balance Theory**

The theory as proposed by Theodore Newcomb states that *“persons are attracted to one another on the basis of similar attitudes towards commonly relevant objects and goals. Once a relationship is formed, it strives to maintain a symmetrical balance between the attraction and the common attitudes. If an imbalance occurs, attempts are made to restore the balance. If the balance cannot be restored, the relationship dissolves.”* Both propinquity and interaction play a role in the balance theory. Thus, the balance theory is additive in nature in the sense that it introduces the factor of ‘balance’ to the propinquity and interaction factors. There must be a balance in the relationship between the group members for the group to be formed and for its survival. According to this theory groups are formed due to some common attitudes and values such as authority, work, life style, religion, politics, etc. They will strive to maintain a symmetrical balance between the attraction and the common attitudes.

### **Exchange Theory**

This theory is based on reward-cost outcomes of interactions. To be attracted towards a group, a person thinks in terms of what he will get in exchange of interaction with the group members. Thus, there is an exchange relationship in terms of rewards and costs of associating with the group. A minimum positive level (rewards greater than costs) of an outcome must exist in order for attraction of affiliation to take place. Rewards from interactions gratify needs while costs incur anxiety, frustrations, embarrassment, or fatigue. Propinquity, interaction and common attitudes all have roles in the exchange theory.

Besides the theoretical explanations for group formation discussed above, employees in an organization may form a group for economic

security or social reasons. Economically, workers may form a group into work on a project that is paid for on a group incentive plan or form a union to demand higher wages. Joining a group provides the individual with a united front in combating indiscriminate and unilateral treatment.

### **Reasons for Formation of Groups**

**Companionship.** The need for relationship with other people is one of the strongest and most constant of human drives. Many research studies have indicated that the employees who have no opportunity for close social contacts find their work unsatisfying and this lack of satisfaction often reflects itself in low productivity and high rate of absenteeism and turnover. Elton Mayo observed that the employees in a textile plant who worked on isolated jobs were highly dissatisfied and consistently failed to meet production standards and staggered rest period helped a little. But when the company permitted these workers to take rest period as a group, production and satisfaction both increased.

**Sense of identification.** Workers get identity in small groups and so small groups tend to enjoy high morale. Employees working in large departments where everybody does the same type of job, find it hard to form stable social groupings compared to those working in small groups.

**Source of Information.** Informal group is a source of information to its members. Informal communication is very fast. A piece of information available to a member will reach nearly all the members of the group instantly. The group may develop a special code or language for speedy communication. Psychological barriers to communication are also overcome by the group.

**Job satisfaction.** The group's solution to a problem may be different from what management expects and it may even be more efficient. Shortcuts are evolved and informal channels of communication are established to cut across department boundaries. Many jobs which appear superficially dull and routine are made interesting by the group and spontaneity is encouraged and protected by the group.

**Protection of members.** Groups help protect their members from outside pressures. Groups often resist management's demands for additional output, increased working hours, and higher quality. Group

members often agree on the level of output that each will put forth so that no member may outperform the others.

**Outlet for frustration.** An individual at times, feels tremendous stress in life and gets frustrated. If he shares his feelings and anxieties with someone, his tension is released to a great extent. The social relations provide an important outlet for frustration. An informal group serves as a safety valve which helps release tension and frustration and checks the mental breakdown of the individual.

**Perpetuation of cultural values.** Sometimes, groups are formed by individuals belonging to a common cultural background. Such people can preserve their cultural identity and also feel a sense of security by associating with those pursuing the same cultural values and social norms. Maintenance of cultural values will also provide them psychological satisfaction.

**Generation of new ideas.** Informal groups are a breeding ground for new ideas as they provide a supportive environment in which the members can engage themselves in creative thinking. New product teams, task force, quality circles, etc. are important examples in this regard.

### **Importance of Small Groups to the Organisation**

**Filling in gaps in manager's abilities:** Informal organization may act to fill in gaps in a manager's abilities. For example, if a manager is weak in planning, one of his subordinate may help him informally in such a situation. Solving work problems: Informal organization helps in solving the work problems of members. It allows them sharing job knowledge and taking decisions which affect a number of jobs.

**Better coordination:** Informal groups evolve short-cuts and eliminate red tapism. They facilitate smooth flow of information and quick decision making. All these ensure better coordination among various individuals and departments.

**Channel communication:** Informal groups act to fill up the communication gaps which arise in the organization. Informal communication cuts across the hierarchical and departmental boundaries



and transmits information with greater speed. Informal communication can be of great use to the organization, if it is handled by the management properly.

**Restrain managers:** Informal groups do not allow the managers to cross their limits. They restrict them from acquiring unlimited power and from using their power injudiciously.

**Better relations:** A manager can build better relations with his subordinate through informal contacts. He can consult the informal leaders and seek their cooperation in getting the things done from the workers.

**Norms of behavior:** Informal groups develop certain norms of behaviour which differentiate between good and bad conduct and between legitimate and illegitimate activities. These bring discipline and order among the employees.

**Satisfied workforce:** Cohesive informal groups provide satisfaction to the workers. As a result, labour turnover and absenteeism are reduced and organization's productivity is increased.

**Developing future executives:** Informal groups recognize talented workers as their leaders. Such leaders can be picked up by the management to fill vacancies at the junior executive level in the future.

### **Problems Created by Informal Groups**

**Negative attitude of informal leaders:** The informal leaders may turn out to be a troublemaker for the organization. In order to increase his influence, he may work against the policies of management and manipulate the behavior of his followers. Thus, he can be a source of conflict between the management and the workers. He may induce the followers to work against the interests of the organization. If such a leader is promoted to the rank of an executive, he may turn out to be a work shirker and an arrogant and autocratic boss.

**Conformity:** The informal group exerts strong pressure on its members for conformity. The members may become so loyal to their group



that following the group norms becomes a part of their life. This implies that members become subject to willful control of the group leader who may lead the group towards selfish ends.

**Resistance to change:** Informal group generally have a tendency to resist change. Change requires group members to make new adjustments and acquire new skills. But groups want to maintain status quo. Sometimes, groups react violently to the proposed changes being brought by the management

**Rumor:** Informal communication may give rise to rumors. This is not desirable from organization's point of view. Rumors originate for a number of reasons. Maliciousness, employee's anxiety and insecurity are the prominent reasons.

**Role Conflict:** Every member of the informal group is also a member of the formal organization. Sometimes, there may be role conflict. In such a situation, group members may conform to their social norms. And if an individual member wants to follow the formal instructions of his boss, he may be snubbed by the informal leader and compelled to conform informal group norms.

### Dealing with Informal Groups

The management cannot wish away the existence of informal organization or groups. The only option left with management is to identify groups with their own dynamics, leadership, goals and cultural moorings and manage the same so that the informal organization aids management in the realization of organizational goals.

- A manager can build favorable relationships with informal leaders in several ways:
- He can consult the leaders and seek their advice on technical matters and human relationship problems
- He can request their assistance and cooperation in indoctrinating new members and training them to become competent workers in their job assignments
- Open, two-way communications can be encouraged on a continuous basis for mutual benefit

- A manager must be careful not to reduce the status of the leader in the eyes of his constituents, and especially careful not to show favoritism or partiality.

### **Review Questions**

1. Explain the various types of groups and how they are formed in the organizations.
2. Take a few examples of groups you are familiar with in your own operational area and explain their positive /negative contribution for the achievement group goals.
3. Present any one theory of group formation and examine its relevance to the present day organizations.
4. As a manager how do you take advantage of the groups in your department or division?

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## Lesson 3.2 - Leadership

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### Objectives

*After reading this lesson, you should be able to:*

- Understand Different Styles Of Leadership;
- Familiarize With Popular Theories On Leadership; And
- Adopt The Right Leadership Style Based On The Exigencies Of The Situation.

### Lesson Outline

- Meaning, Definition & Nature Of Leadership.
- Leadership Traits And Functions
- Managerial Skills Of A Leader
- Leadership & Management
- Theories Of Leadership
- Effectiveness Of Leadership
- Measures For Developing Leaders
- Review Questions

Leadership is a process of exercising influence over an individual or a group. Effective leadership is necessary for inspiring the people to work for the accomplishment of objectives. It provides a cohesive force which holds the group intact and develops a spirit of cooperation. Chester Bernard viewed leadership as the quality of behavior of individuals whereby they guide people and their activities. A leader interprets the objectives of the people working under him and guides them towards achievement of those objectives. He also creates and sustains enthusiasm among them for superior performance. In the words of Louis A. Allen, “A leader is one who guides and directs other people. He gives the efforts of his followers a direction and purpose by influencing their behavior”. Managers at all levels must perform leadership function in order to lead the subordinates towards organizational goals.

Leadership is the process of influencing the subordinates so that they cooperate enthusiastically in the achievement of group goals. In other words, leadership is the process by which an executive imaginatively directs, guides, and influences the work of others in choosing and attaining specified goals by mediating between the individuals and the organization in such a manner that both will obtain maximum satisfaction.

### **Characteristics of Leadership**

An analysis of the above definitions reveals that leadership as a managerial process has the following characteristics:

**1. Leadership is a process of influence:** Leadership is a process whose important ingredient is the influence exercised by the leader on the group members. A person is said to have an influence over others when they are willing to carry out his wishes and accept his advice, guidance and direction. Successful leaders are able to influence the behavior, attitudes and beliefs of their followers.

**2. Leadership is related to a situation:** When we talk to leadership, it is always related to a particular situation at a given point of time and under a specific set of circumstances. That means leadership styles will be different under different circumstances. At one point of time, the subordinates may accept the autocratic behavior of the leader while at a different point of time and under a different situation participative leadership style may be successful.

**3. Leadership is the function of stimulation:** Leadership is the function of motivating people to strive willingly to attain organizational objectives. Leaders are considered successful when they are able to subordinate the individual interests of the employees to the general interests of the organization. A successful leader allows his subordinates to have their individual goals set up by themselves in such a way that they do not conflict with the organizational objectives.

### **Styles of Leadership**

Leadership style refers to a leader's behavior. Behavioral pattern which the leader reflects in his role as a leader is often described as the

style of leadership. Leadership style is the result of leader's philosophy, personality, experience, and value system. It also depends upon the types of followers and the organizational atmosphere prevailing in the enterprise.

### **Different types of leadership styles are:**

- i. Autocratic leadership;
  - ii. Participative leadership;
  - iii. Free rein leadership; and
  - iv. Paternalistic leadership.
- i. Autocratic or Authoritarian Leadership**

The autocratic leader gives orders which must be obeyed by the subordinates. He determines policies for the group without consulting them and does not give detailed information about future plans, but simply tells the group what immediate steps they must take. He gives personal praise or criticism to each member on his own initiative and remains aloof from the group for the major part of the time. Thus, under this style, all decision-making power is centralized in the leader. Leader adopting this style stresses his prerogative to decide and order and subordinates' obligation to do what they are told to carry out.

Autocratic leadership may be negative because followers are uninformed, insecure and afraid of leader's authority. Such a leader may be called the **strict autocrat** who realizes on negative influences and gives orders which the subordinates must accept. Leadership can be positive also because the leader may use his power to disperse rewards to his group. When his motivational style is positive, he is often called a benevolent autocrat. The **benevolent autocrat** is effective in getting high productivity in many situations and he can develop effective human relationships.

There is another type of autocratic leader known as manipulative autocrat, who makes the subordinates feel that they are participating in decision-making process even though he has already taken the decision. An autocratic leader assumes that people basically work for money they and want security. Because of such assumptions about human beings, he exercises tight control and supervision over his subordinates. But these assumptions do not hold good in all the situations. If the motivational style is negative, people will dislike it. Frustration, low morale and conflict

develop easily in autocratic situations.

## **ii. Participative or Democratic Leadership**

A democratic leader is one who gives instructions only after consulting the group. He sees to it that policies are worked out in group discussions and with the acceptance of the group. Participative manager decentralizes managerial authority. His decisions are not unilateral like that of the autocratic leader. Unlike an autocratic manager who controls through the authority, a participative manager exercises control mostly by using forces within the group. Some of the advantages of participative leadership are:

- It increases the acceptance of management's ideas.
- It improves the attitude of employees towards their jobs and the organization.
- It increases the cooperation between management and employees.
- It leads to reduction in the number of complaints and grievances.
- It increases the morale of the employees.

## **iii. Free Rein or Laissez Faire Leadership**

A free rein leader does not lead, but leaves the group entirely to itself. The free rein leader avoids power. He depends largely upon the group to establish its own goals and work out its own problems. Group members work themselves and provide their own motivation. The leader completely abdicates his leadership position by giving most of the work entrusted to him to the group which he is supposed to lead.

This is also known as permissive style of leadership, where there is least intervention by the leader. Abdication of authority by the leader and letting the group to operate entirely on its own are the common features of this style. This mode of direction can produce good and quick results if the subordinates are highly educated, responsible and brilliant who have a strong desire and commitment to give their best to the organization.

#### iv. Paternalistic Leadership

In this style, the leader assumes that his function is paternal or fatherly. His attitude is that of treating the relationship between the leader and his group as that of family with the leader as the head of family. He works to help, guide, protect, and keep his followers happily working together as members of a family. He provides them with good working conditions, fringe benefits and employee services. This style has been successful, particularly in Japan because of its cultural background. It is said that employees under such leadership will work harder out of gratitude.

#### Likert's Management Systems and Leadership

Rensis Likert and his associates of the University of Michigan, had conducted extensive survey of management and leadership patterns in a large number of organizations. Within the basic style categories of task orientation and employee orientation, Likert developed a four level model of leadership effectiveness. These patterns of leadership are termed Systems of management and are assigned numbers from 1 to 4 to indicate the stages of evolution in the patterns of management in terms of leadership styles :

System 1 – Exploitative authoritative

System 2 – Benevolent authoritative

System 3 – Consultative

System 4 – Participative (Democratic)

A brief description of these systems is given below:

#### System 1 - Management

System 1 managers make all the work – related decisions, and order their subordinates to carry them out. Standards and methods of performance are also set by the managers. The communication between the managers and the subordinates is highly formal in nature and downward in direction. The subordinates have absolutely no say in any matter in the organization. Such managers are highly autocratic who believe in threats and punishment to get the things done. They follow strict supervision over their subordinates.

### **System 2 - Management**

Managers under this system are also autocratic, but they are not fully authoritative. At times, they give some flexibility to the subordinates to carry out their tasks within the prescribed limits. Subordinates who meet or exceed their goals may be rewarded. Managers adopt patronizing or paternalistic attitude towards the obedient and faithful subordinates. They are very harsh with the subordinates who do not carry out the tasks.

### **System 3 - Management**

Under this system, managers set goals and issue general orders after discussing them with the subordinates. They take only major decisions and leave the routine decisions to be taken by the subordinates. Subordinates are free to discuss the work-related matters with their superiors. Thus, there exists a two-way communication in the organization. The control system tends to be flexible and goal oriented. More emphasis is placed on rewards than on punishments to motivate the subordinates.

### **System 4 - Management**

This is an ideal system towards which organizations should work. The relations between managers and subordinates are cordial and friendly. The communication system is completely open. The goals are set and work related decisions are taken by the subordinates. Group approach is adopted in supervision and control. Thus, system 4 presents true democratic styles of leadership. The managers are very supportive in their attitude towards the subordinates. Performance standards are mutually set by the superior and subordinates. They permit self – appraisal by the subordinates.

Likerts ought to measure and evaluate the actual patterns of management in a wide range of organizations within the frame work of his four systems. He found that most individual managers and organizations fit into one or the other in terms of certain operating characteristics related to such variables as goal setting, decision making, communication, and control. Likert also sought to relate his systems of management with certain performance characteristics like productivity, quality, wastage, and employee turnover and absenteeism. He found that organizations with System 1 orientation scored very poorly while those oriented with System



4 scored creditably on these performance characteristics. He strongly recommended System 4 and regarded it as the best way to develop and utilize human assets of the organization. Likert also found many managers and organizations operating in System 2 and 3. For such organizations, he suggested extensive and intensive leadership training at all levels of management so as to move into System 4 – management.

### **Trait Theory of Leadership**

Trait theory seeks to determine universal personal characteristics of effective leaders. Numerous physical, mental, and personality traits were researched during the period from 1930 to 1950. Leaders were characterized by a wide variety of traits ranging all the way from neatness to nobility. In the late 1940s, Ralph Stogdill reported on the basis of at least fifteen studies that leaders possess intelligence, scholarship, dependability in exercising responsibilities, activity and social participation and socio-economic status. He also found traits such as sociability, persistence, initiative, knowing how to get things done, self confidence, alertness, insight, cooperativeness, popularity, adaptability and verbal facility in ten leadership studies. Persons who are leaders are presumed to display better judgment and engage themselves in social activities. The study of the lives of successful leaders reveals that they possessed many of these traits.

Trait studies have not produced clear results because they do not consider the whole leadership environment. Personal traits are only a part of the whole environment. Though a certain trait exists, it will not become active until a certain situation calls for it. Thus, there is no sure connection between traits and leadership acts. Leadership is always related to a particular situation. A person may prove successful in one situation due to some traits, but may fail in another situation.

Another shortcoming of the trait theory is the failure of its supporters to formulate a common list of traits found in all successful leaders. For instance, good health is desirable in many leadership situations, but there are also successful leaders in other situations that do not enjoy good health. There are so many exceptions to any general statement about leadership traits. The theory also fails to mention the traits which are necessary to maintain leadership. Measurement of a trait usually occurs after a person becomes a leader and it is difficult to suggest the traits which are pre-

requisites of successful leader.

### **Behavioural Theory of Leadership**

Success in leadership depends more on what the leader does than on his traits. The behavioural approach is based on the premise that effective leadership is the result of effective role behavior. There is a dynamic interaction between the leader and the followers, and leaders produce different styles while dealing with the workers.

Many behavioural scientists have attempted to identify appropriate behavioural patterns of leadership styles. Some of the important contributions in this regard include Ohio State Studies, Michigan University Studies and Managerial Grid of Blake and Mouton. The behavioural scientists don't concentrate on the traits of leaders; rather they study the activities of leaders to identify their behavioural patterns.

### **Michigan Studies**

The Institute for Social Research at the University of Michigan conducted empirical studies to identify styles of leader behavior that results in higher performance and satisfaction of a group. The studies identified two distinct styles of leadership.

### **Employee Centred leadership and Production Centred (task oriented) leadership:**

The employee centred leaders concentrate on human relations and emphasize delegation of authority, concern for employee needs, welfare, advancement, etc. Leaders who are described as employee oriented stress the relationship aspects of the job. They feel that every employee is important and take interest in everyone, accepting their individuality and personal needs. Production centred leadership is more concerned with maximizing regardless of the employees needs, welfare and aspirations. Managers don't attach much importance to the human element.

The Michigan Studies found that both the styles of leadership led to increase in production, but it was slightly more in case of production centred style. However, the use of direct pressure and close supervision

led to decreased satisfaction and increased turnover and absenteeism. The employee centred approach led to improved work flow and more cohesion in interactions resulting in increased satisfaction and decreased turnover and absenteeism. This suggested the superiority of the employee centred leadership style over the production centred style.

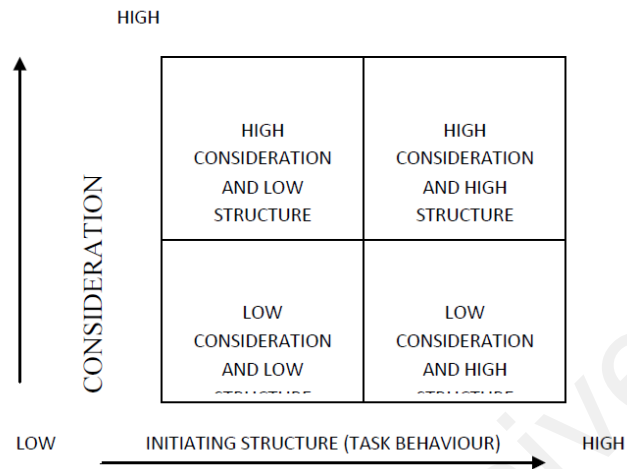
### **Evaluation of Michigan Studies**

The value of Michigan studies lies in the analysis of two leadership styles, task and employee oriented leadership. Instead of restricting to traits of leaders, they concentrated on the behavior of leaders. These studies are criticized on the following grounds:

- i. The Michigan studies failed to suggest whether leader behavior is a cause or effect. They did not clarify whether the employee centred leadership makes the group productive or whether the highly productive group induces the leader to be employee centred.
- ii. The Michigan Studies did not consider the nature of the subordinates' tasks or their personal characteristics. Group characteristics and other situational variables were also ignored.
- iii. The behavioural styles suggested by Michigan Studies have been termed as static. A leader is supposed to follow either of the two styles, viz., task orientation and employee orientation. But in practice, a particular style may succeed in one situation and fail in another. Moreover, leaders don't restrict themselves to a particular style. They adopt both the orientations in varying degrees to suit the particular situation.

### **Ohio State Leadership Studies**

The leadership studies initiated by the Bureau of Research at Ohio State University attempted to identify various dimensions of leader behavior.

**Chart : OHIO STUDIES: LEADERSHIP**

### Ohio Studies - Leadership

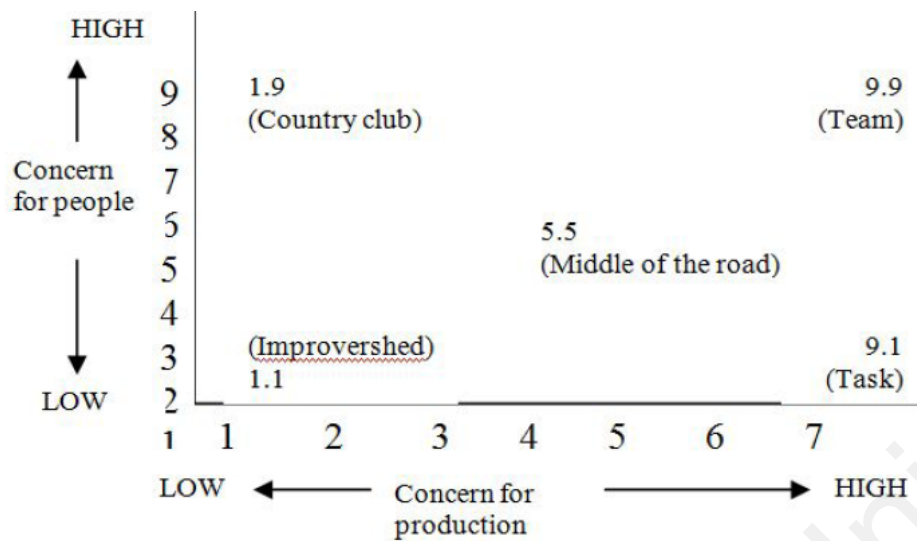
Ultimately, these studies narrowed down to the identification of two dimensions of leader behavior: *Initiating Structure and Consideration*.

**Initiating Structure** refers to the leader's behavior in delineating the relationship between himself and members of the work group and of communication, and methods or procedures. On the other hand, **Consideration** refers to the leader's behavior indicative of friendship, mutual trust, respect, and warmth in the relationship between the leader and the members of his staff. The research studies also showed that initiating structure and consideration are two distinct dimensions and not mutually exclusive. A low score on one does not require high score on the other. Thus, leadership behavior can be plotted on two separate axes rather than on a single continuum. The four quadrants in Fig. 16.1 show various combinations of initiating structure and consideration. In each quadrant, there is a relative mixture of initiating structure and consideration and a manager can adopt any one style.

### Managerial Grid

The two dimensions of leadership, viz. *concern for people and concern for production* have been demonstrated by Robert R. Blake and James S. Mouton in the form of a grid. The word 'Grid' means an iron

grating, a frame work of parallel bars.



**Managerial Grid**

Blake and Mouton identified five basic leadership styles of practicing managers representing various combinations of the aforesaid two dimensions as shown in the above diagram. It is, however, important to point out these basic styles are a matter of convenience rather than a fact. A brief description of these styles is given below.

### 1. The 9, 1 managerial Style (Task)

People are regarded as an instrument of production under the 9, 1 management style. It is an autocratic style of leadership. This style places a heavy emphasis on task and job requirement. Human relationships and interactions are minimized. Subordinates are expected to carry out orders with an unquestioning obedience. They are taken as merely means for doing the tasks assigned to them. Little attention is given to their development or communicating with them beyond the issue of instructions and orders. If there is a conflict between a subordinate and the boss, the goal of the boss is to win.

### 2. The 1, 9 Managerial style (Country Club)

Under this style of management, work is done leisurely. At best people are regarded rather than driven. Subordinates are expected to turn

out some work to avoid trouble. The boss is more of a big brother rather than an autocratic leader. Social relationships are more important. The group, not the individual is the key in the organization. The aim is to achieve friendliness and harmony among the members of the organization.

### **3. The 1, 1 Managerial Style (Impoverished)**

A manager with this orientation exerts minimum influence on the contacts with group members. He expresses little concern for production or people. In a supervisory position, he is most likely to be found executing messenger – carrier functions, communicating orders from the layer above to the layer below. He is an expert in passing on blame to others for failures in such a way that he absolves himself from responsibilities and rarely initiates. His criticism is strictly in self defense. Minimum involvement in organization's purpose and with its people is all that he wants. Through minimum contact and non- involvement, the 1, 1 style reduces the need to take active steps with respect to managerial responsibilities. Subordinates or members of the group are left to find for themselves the ways of doing the job.

### **4. The 5, 5 managerial Style (Middle Road)**

The “people” dimension in the work situation is as important as the “production” dimension. The 5, 5 style seeks to maintain a balance between the two. A basic assumption of this style is that people will work willingly and they are told the reasons for doing so are explained to them. However, just enough is communicated so that people have a general sense of what is going on. If too much is told, it is feared that they might resist. Enough concern is shown for the people so that adequate production may be achieved. This is seen in the 5, 5 approach to management development, communication, and performance reviews. Meetings are held to listen to their suggestions and to create a sense of participation in decision - making.

### **5. The 9, 9 Managerial Style (Team)**

A major difference between 9, 9 style and other managerial styles is in goal setting and its use as a basic management approach to a large variety of problems. The capability of people in achieving organizational

objectives through commitment is fundamental. In other words, the 9, 9 orientation aims at integrating the people and production dimensions of work under conditions of high concern for growth. The key is the involvement and participation of those responsible for it in planning and execution of work. This brings about the kind of team spirit that leads to high organization accomplishment.

Each of the five styles given by Blake and Mouton points out the relative concern for production and people and implies that the most desirable leadership behavior is 9, 9 i.e., maximum concern for both production and people. It may be noted that the five positions emphasized in the Managerial grid are rarely found in their pure form in actual life. That means, a manager may have a style of 8, 2, or 4, 6 or some other. Nevertheless, Managerial Grid is widely used as a technique of managerial training and for identifying various combinations of leadership styles.

In essence, the managerial Grid has given popular terminology to leadership styles within the four quadrants of the Ohio State Studies. However, there is one basic difference between the two. In managerial Grid, 'concern for' is a predisposition about something or an attitudinal dimension.

Thus, managerial Grid tends to be an attitudinal model that measures the predispositions of a behavioural model that examines how leader actions are perceived by others.

### **Choice of Leadership Style**

We have observed that different management experts have suggested different styles and there is no unanimity among them as to which is the most suitable for an enterprise. For example Rensis Likert suggested democratic leadership. As different leadership styles have their merits and demerits, it is difficult to prefer one leadership style to another. The selection of a leadership style will depend on the consideration of a number of factors. According to Tannenbaum and Schmidt, the important factors that affect the choice of a style of leadership are as follows:

**Forces in the Manager :** These include manager's personality, experience, and value system, his confidence in subordinates, leadership inclination, feeling of security in an uncertain situation, etc.

**Forces in the Subordinates:** These include readiness of subordinates to assume responsibility for making decisions, need of subordinates for independence, interest in the problem at hand, knowledge to deal with the problem, etc.

### **Situational Theory of Leadership**

This theory advocates that leadership is strongly affected by the situation from which a leader emerges and in which he works. It is based on the assumptions that there exists an interaction between a group and its leader and that people tend to follow the person (known as leader) who is capable of fulfilling their aspirations. Thus, leader is a means of achieving the goals of the group and the members. The leader recognizes the needs of the situation and then acts accordingly.

The focus in the situational approach to leadership is on observed behavior and not on any hypothetical inborn or acquired ability or potential for leadership. In other words, the emphasis is on the behavior of the leaders and their followers and the type of situation. In other words, a person becomes a leader not only because of his personal attributes, but also because of various situational factors and the interactions between the leader and the group members.

### **Review Questions**

1. What is leadership? Discuss the trait and situation theory of leadership.
2. "Leadership is situational." Comment on the statement.
3. "Leaders are born and not made". Discuss
4. "A good leader is one who understands his subordinates, their needs and their sources of satisfaction." Comment.
5. Critically examine the different approaches to the study of the leadership behavior. Is there one best style of leadership?



## Case Study

### New Boss and his Leadership Style

For Several months employees of a large corporation have been very dissatisfied with the new division head. Before the arrival of the new division head, the department had functioned as a cohesive, effective unit, combining hard work with equal amount of leisure. The new division head has very strong idea about the types of environment his employees should have. As one supervisor puts it, it resembles a full scale military operation. No longer are occasional informal gatherings during office hours.

The bottom line has become productivity first, with the employees' feelings being considered as an afterthought. Grass-root employees as well as supervisory personnel are very upset about the changes in structure, and their dissatisfaction is beginning to show up in their performances. Because of the decreased productivity levels, the supervisors have been informed that if they don't shape up their subordinates, "the axe will fall on several heads". The frustration and anger is now beginning to come to a full boil and the supervisors have decided to meet to discuss the situation.

### Questions

- a. Identify the leadership style of the division head from the angle of Managerial Grid.
- b. From the view point of theory of X and Y, what assumption did the new head make about the way in which people work most effectively?

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## Lesson – 3.3 Organisational Power & Politics

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### Objectives

*After reading this lesson, you should be able to:*

- Appreciate The Importance Of Power In The Organizational Context;
- Distinguish Power From Authority And Influence;
- Identify Sources Of Organisational Power And Its Uses; And
- Relate Power To Organisational Politics.

### Lesson Outline

- Characteristics Of Power
- Sources Of Power
- Uses Or Bases Of Organisational Power
- Power Dynamics In Organisations
- Review Questions

This lesson first defines power and distinguishes it from authority. Then it identifies sources of power and explains how power is used in organisations. Finally, it presents the political perspective of power in today's organisations. The underlying premise of this lesson is that acquisition. Power is a determinant of goals to be achieved and of how resources will be distributed. These, in turn, have far reaching implications for organisation members' performance, satisfaction and organisational effectiveness.

There is no universally accepted meaning of power. Power has more diverse meanings than any other concept in organisational behaviour. In general, it refers to a capacity that one has to influence the behaviour of another so that the other person does something which would not be done otherwise.

However, few of the definitions on power are presented here to capture the wide range of the meanings it has assumed over a period of time.

The earliest definition of power is one given by **Max Weber**, the famous Sociologist. He defines power as *“the probability that one actor within a social relationship will be in a position to carry out his own will despite resistance”*.

Another definition of power refers it to the ability to get things done despite the will and resistance of others or the ability to win political fights and outmaneuver the opposition.

Pfeiffer, an organizational behavior theorist, defines power as *“the ability to influence behaviour, to change the course of events, to overcome resistance, and to get people to do things that they would not otherwise do”*.

### **Characteristics of Power**

Definitions of power are related to the concepts of authority and influence. Chester Barnard defined power as “informal authority”. Many modern organisational sociologists define authority as “legitimate power”. To have better understanding of power, we bring out clearly the distinctions between power and authority and power and influence.

### **Power – Authority Distinctions**

From the preceding discussion, it is clear that a person who possesses power has the ability to manipulate or influence others. Authority legitimizes and is a source of power in the organisation. In contrast, power need not be legitimate. Distinction can be made between top-down classical, bureaucratic authority and Barnard’s acceptance theory of authority. To him, authority is “the character of a communication (order) in a formal organisation by virtue of which it is accepted by a member of the organisation as governing the action he contributes”. Power is different from such acceptance theory of the authority in the words of Grimes who notes: “what legitimizes authority is the promotion of pursuit of collective goals that are associated with group consensus”.

## Power- Influence Distinction

Influence is broader than power in its scope. It is a process of affecting the potential behaviour of others. Power is the capacity of influence. Thus, authority is different from power because of former's legitimacy and acceptance, and influence, though broader than power, is closer to it conceptually. Hence, both are interchangeably used.

## Sources of Organisational Power

French and Raven's Classification of sources of power includes reward power, coercive power, legitimate power, referent power and expert power. But sources of power are different from power bases. This distinction is not maintained by French and Raven. How power holders control power bases speaks about sources of power. In other words, sources of power tell us wherefrom the power holders get their power bases. There are four sources of power, namely, *position power* (legitimate power), *referent power* (personal powers), *expert power* and *opportunity power*.

### Position Power

The source of position power is almost identical to authority. One's structural position in the formal group or organisation enables access to power bases i.e., what the power holder has that gives him power. According to French and Raven this power stems from the internalized values of the other persons which give legitimate right to the power holder to influence them. In other words, others feel that they have obligation to accept this power. Again there are three major source of legitimate power.

- *One* is prevailing cultural values of organisation or group which determine legitimacy. In organisational context, managers have legitimate power because employees believe in private property laws and in the hierarchy where persons holding higher positions wield power over lower position holders.

- *Second* source of legitimacy is social structure. In an organisation, for example, when blue collar workers accept employment, they are in effect accepting its hierarchical structure and thereby granting legitimate power to their superiors.

➤ Being designated as the representative of a powerful person or a group is a third source of legitimate power. A member of the board of directors or management committee is examples of this source. These sources of legitimate power create an obligation to accept and be influenced.

### **Personal Power or Referent Power**

One's personal characteristics can be a source of power. Articulation, domineering and charisma are personal characteristics that yield personal power. Others want to identify with a powerful person, regardless of consequences. In the organisational setting, a manager who depends on referent power must be personally attractive to his subordinates.

### **Expert Power**

Expertise is the means by which the power holder controls specialized information. Others attribute knowledge and expertise to the power seeker. In a technology-oriented or knowledge society, expert power is one of the most powerful sources of influence. Credibility comes from having the right credentials, that is, the person must really know what he is talking about and be able to show tangible evidence of knowledge. Besides credibility, the person holding expert power must be trustworthy, that is, he must have reputation for being honest and straightforward.

### **Opportunity Power**

Being in the right place at the right time can give a person the opportunity to gain power. One need not hold a formal position in an organisation to have access to information which others value most.

### **Other Sources of Power**

Besides these four sources of power, there is yet another source arising out of task-interdependence. Though a superior has legitimate power over subordinate, he must depend on the subordinate to get the job done correctly and on time. Hence the latter has power over the former due to task interdependency.

## **Bases of Organisational Power**

### **Coercive Power**

The coercive power depends on fear. The person with the coercive power has the ability to inflict punishment or adverse consequences on the other person. One reacts to this power out of fear of the negative ramifications that might result from non-compliance. In the organisational context, managers frequently exercise coercive power as revealed from their actions such as dismissing, suspending or demoting their subordinates or withholding pay increases. In other words, managers control through force or hitting at the basic physiological or safety needs. Here it is to be noted that protective labour legislation and trade unions have stripped away some of this coercive power of managers.

### **Reward Power**

Reward power is the opposite of coercive power. People comply with the wishes of another because it will result in positive benefits. The type of rewards includes material rewards like pay increase, fringe benefits, commissions, etc. Managers exercise this power since they have ability and resources to reward their subordinates. The strength of the reward power depends on whether the subordinates look at rewards offered to them as rewards or otherwise. Managers may offer what they think as rewards, but subordinates may not value them. The reverse may also be true.

### **Persuasive Power**

This use of power rests on the allocation and manipulation of symbolic rewards. If a person can decide who is hired, control the allocation of resources, or influence group norms, he is said to have persuasive power. A few common symbols of manager's power in the organisation include: getting a favorable placement for a talented subordinate, getting approvals for expenditures beyond budget, getting items on agenda at policy meetings, getting fast access to top decision makers, getting early information about decisions and policy shifts, getting above-average salary increases for subordinates, etc.

## **Knowledge Power**

Knowledge or access to information is the final use or base of power. When an individual in a group or organisation controls unique information needed to make decisions, then he processes knowledge-based power.

## **Influenceability of Targets of Power**

So far our discussion has confirmed the unilateral influence of power from the agent (power holder) to targets (other persons). Power relationship as a reciprocal relationship can be better understood by focusing attention on characteristics of targets. Influenceability of targets depends on the following:

### **Dependency**

Power is a function of dependency. The general dependence postulates that the greater the dependency of the target on the agent, the greater the power the agent has over the target. Dependency increases when the resources controlled by the agent are important, scarce and non-substitutable. The scarcity - dependency relationship can be clearly seen in occupational groups where supply of skills is low relative to demand for them.

### **Uncertainty**

When people have a feeling of uncertainty about the correctness of their behaviour, they are more susceptible to influence.

### **Personality**

Persons with personality characters like low tolerance for ambiguity and high anxiety (fear of failure) are more likely to be influenced.

### **Intelligence**

Relationship between intelligence and influenceability is complex. In some cases it is positive whereas in other cases negative, since highly

intelligent people being held in high esteem may resist being influenced.

### **Gender**

It is traditionally believed that women are more likely to be influenced than men, because of the way the former are brought up. As the role of women is fast changing and they are more empowered now, there is a perceptible change, of late.

### **Culture**

Western cultures that emphasize individuality, dissent and diversity tend to decrease influenceability whereas Asian cultures that emphasize cohesiveness, agreement and uniformity promote influenceability.

### **Contingency Model of Power**

According to this model, target will comply to gain or avoid punishment. In order to gain compliance to work, the superiors must be able to reward and punish subordinates and keep surveillance over them. But the agent must have referent power, that is, very attractive to the target. The agent must also be in the forefront of targets awareness. People will internalise because of compatibility with their own value structure. For people to internalize the agent must have expert or legitimate power and be relevant. Internalized power has a lasting impact.

### **Power Tactics**

Let us understand how employees in organisations translate their power bases into specific actions. Findings of research on managers identified seven power tactics:

- i. reason;
- ii. friendliness
- iii. collation (getting the support of other people in the organisation to back up the support);
- iv. bargaining (negotiations for exchange of favours);
- v. assertiveness;
- vi. higher authority (gaining the support of higher levels in the



- organisation to back up requests);
- vii. sanctions (using organizationally derived rewards and punishments).

Manager's relative power in the organisation determines tactics selection. They also change their tactics depending upon their objectives in the upward and downward influences. Choice of tactics depends upon expectations of success. Assertiveness and sanctions are used when success is less predictable. Different cultures prevalent in the organisation also have significant bearing on the choice of power tactics.

### **Power Dynamics in Organisations**

Power dynamics in organisation relate to political realities of power acquisition in organisations and the specific political strategies in power acquisition.

### **Political Behaviour**

One perspective of political behaviour is, large organisations are like governments in the sense that they are fundamentally political entities. Political behaviour in the organisation refers to those activities not required by one's formal role definition in the organisation. Political perspective of organisation departs from the classical idealistic, rational organization. Four postulates of power by Walter Nod focus on political realities in the organisation. *One*, organisations are composed of competing coalitions. *Second*, various coalitions seek to protect their interests and positions. *Third*, unequal power distribution has dehumanizing effect. *Fourth*, exercising power within organisation.

### **Factors Contributing to Political Behaviour**

Individual and organisational factors can increase political behaviour and provide favourable outcomes (rewards and averted punishments).

### **Individual Factors**

High self-monitors being sensitive to social cues and social

conformity, are more skillful in political behaviour than low self-monitors. Individuals with internal locus of control (those who believe they can control their environment) are proactive and manipulate situations in their favour. A person having high expectation of increased future benefits will lose if forced out; hence he is more likely to use illegitimate means (extreme political behaviour). More alternative job opportunities a person has, more likely he is to use legitimate means (normal every day politics).

### **Organisational Factors**

(i) **Resources** Degree of politics, criticality and scarcity of resources in organisation are directly related. Politics surface when the resources are declining and their existing pattern is changing. Infusion of new and unclaimed resources will lead to high political behaviour.

(ii) **Trust** Low trust in organisation results in higher political behaviour, that too illegitimate type.

(iii) **Cultural Factors** Role ambiguity (lack of clarity in role definition), ambiguous decisions and decisions on which there is a lack of agreement and uncertain, long range strategic decision, zero-sum reward allocation practices (one man's gain is other man's loss), democratic decision-making, performance evaluation systems and self-seeking senior managers, will be sources of conflicts and thereby high politicking. Higher the pressure on performance employees feel, the greater the likelihood of their resorting to politics.

(iv) **Technology and External Environment** Complex technology and turbulent external environment lead to high political behaviour.

(v) **Change** Planned organisation change or unplanned change brought about by external environment forces will encourage political behaviour.

### **Specific Political Strategies for Power Acquisition**

Organisational members adopt different strategies to acquire power. Durkin suggested strategies listed below help to gain deeper insights into power and politics in the organisations.

**a. Maintain alliance with powerful people** Alliances with members of other important departments or of top management or with boss's secretary or staff assistant are critical to acquisition of power.

**b. Embrace or Demolish** The guiding Machiavellian principle is that senior managers in the taken over firms should be welcomed and encouraged or sacked. To make them powerless it is better to sack them than to downgrade them. If downgraded, they combine and fight back.

**c. Divide and Rule** This is a popular strategy based on the assumption though unwarranted, that persons divided will not themselves form coalition.

**d. Manipulate classified information** Organisational members adept in politics control information so as to gain power.

**e. Make a quick showing** Looking good on some project or task right at the beginning is to get the right people's attention. Once this positive attention is gained, power is acquired to do more difficult and long-range projects.

**f. Collect and Use IOUs** Do favours to others with clear understanding that they should pay in return when asked.

**g. Avoid decisive engagement** Also called Fabianism: Be slow, but sure to become entrenched and gain cooperation and trust of others.

**h. Progress one step at a time** One small change can be a foothold for power seeker to use it as a basis to get other major things accomplished.

**i. Wait for a crisis** It is based on the assumption things must get worse before they turn better. Crisis conditions bring more resources that facilitate tiding over crisis.

**j. Take Counsel with Caution** This relates to how to retain power rather than how to acquire it. For example, prescriptions like participative management and empowerment are to be taken with caution as they erode the power base of managers.

## Defensive Behaviour as a part of Organisational Politics

Individuals in the organisation engage quite often in reactive and protective defensive behavior with the objective of avoiding action, balances or change. Each of the objectives of defensive behaviour is illustrated in the following lines.

### Avoiding Action

Here are six popular ways to avoid action.

- i. *Over conforming* Rigid Adherence to politics, rules and precedents to avoid action in a particular case.
- ii. *Buck Passing* Transferring responsibility for action or decision making to some one else in the organisation.
- iii. *Playing Dumb* False pleading of ignorance or inability to avoid an unwanted task.
- iv. *Depersonalisation* To avoid becoming personally involved, people are treated as objects and numbers. This distancing from them avoids problems and the need for considering their idiosyncrasies and impact of events on them.
- v. *Stretching and Smoothing* Stretching is prolonging task. Smoothing refers to covering up fluctuations in effort or output. Both are designs to give semblance of being busy and productive.
- vi. *Stalling* Being supportive publicly while doing little or nothing privately.

### Avoiding Blame

The following behaviours are intended to avoid blame, or actual or anticipated negative results.

- i. *Buffing* Documenting activity to projection image of competence and thoroughness
- ii. *Playing Safe* Taking only profitable projects, having risky decisions approved by superiors, qualifying judgements and taking neutral positions in conflict situations- all are to evade situations pregnant with unfavourable outcomes.
- iii. *Justifying* Developing explanations to minimize responsibility for

- negative result and/ or apologizing to demonstrate remorse.
- iv. *Scapegoating* Shifting the blame for negative results on external factors.
- v. *Misrepresenting* Manipulating of information by distorting, embellishing and selectively representing it.
- vi. *Escalation of Commitment* By throwing good money (additional resources) after bad money (poor decisions and failing courses of action) to demonstrate confidence in the past actions and consistency over time.

### Avoiding change

When people feel threatened by change they resort to the following behaviours

- i. *Resisting Change*: This is a catch-all phase under which many defensive behaviours are covered.
- ii. *Protecting Turf*: Fencing the job territory to avoid encroachment. Immediate consequence of defensive behaviours is reduced organisational effectiveness. Their long-term consequences are organisational stagnation, detachment from organisational environment, highly politicized organisational culture and low morale.

### Review Questions

1. Define Power, authority and influence.
2. Explain the importance of power and its characteristics?
3. How are sources of power different from bases of power? Illustrate with examples.
4. Describe power tactics.
5. Define organisational politics. What are its determinants?
6. Explain the defensive behaviours in organisational politics with their corresponding objectives.
7. Discuss strategies for acquisition of power in organisations.
8. What is contingency model of power?
9. From your over-all understanding of the working of power, authority and influence and general awareness, explain your understanding on the process of 'empowerment.'

**UNIT – IV****Lesson – 4.1 Organisational Structure, Climate And Culture****Objectives**

*After reading this lesson, you should be able to:*

- Understand The Concept Of Organizational Structure;
- Identify The Factors Determining Organizational Structure;
- Recall The Major Dimensions Of Organizational Climate; And
- Explain The Characteristics Of Organizational Culture.

**Lesson Outline**

- Factors Determining Organizational Structure
- Bases Or Forms Of Departmentalization
- Horizontal & Vertical Dimension Of Organizational Structure
- Traditional, Modern, Commercial & Non Commercial Organizational Structure
- Major Dimensions Of Organizational Climate
- Meaning & Characteristics Of Organizational Culture
- Review Questions

Organizational structure provides the framework for managers and others for performing the various functions expected of them and for facilitating the work flow in the organisation. A sound structure facilitates performance. The managerial process of organising results in the creation of a formal organisational structure which is defined as a system of patterned and interrelated task units with well defined authority-responsibility relationships. It is called formal structure since it is deliberately and purposefully planned and designed by management. The formal organisational structure has two 'dimensions'. They are: *horizontal dimension* and *vertical dimension*.

The horizontal and vertical dimensions of the organisational structure, viz., the activity structure and authority structures are tied together. The managerial positions are not created in a vacuum; they are

created around the sub-divided task units. Organisational goals, technology, external environment and the people in the organization greatly influence the design of the structure.

### **The Horizontal Dimension of Organisational Structure**

The horizontal dimension consists of the various activities or working units created through the process of departmentation and is called the activity structure. In a manufacturing enterprise, the activity structure consists of the various tasks or activity spheres. Departments like purchasing, production, R & D, human resources, accounts, marketing and so on are created by that logic..

**Departmentation:** The concept of departmentation, is one of the important steps in the design of formal structure of an organisation. Departmentation involves a systematic sub-division of activities into individual jobs, the grouping of jobs into work-units and the integration of units into departments. The departments so created have lateral relations to each other. Thus departmentation creates the lateral or horizontal activity structure of the organisation. There are several alternative ways in which organisational activities are grouped into work units. These are called the bases or forms of departmentation. The major bases or forms are: Function, process or equipment, product, customer and geographical area.

### **Vertical Dimension of Organisational Structure**

Authority is the formal right vested in a managerial position to undertake certain managerial tasks, to make decisions, to give directions to subordinates and to influence events for achieving certain goals. The concepts of authority, responsibility and accountability have particular relevance for understanding the process of delegation of authority. The concept of responsibility has two connotations. In one sense, it is the set of tasks or duties assigned to a person. In another sense, it is corollary of authority and is the obligation of a person to whom authority is delegated, to act in response to an order issued by his superior. Accountability is often used as a synonym to responsibility. In other words, accountability and responsibility have the same meaning. Some others, however, distinguish between accountability and responsibility by defining accountability

as personal answerability for decisions, actions and results on the part of a subordinate to his superior. The vertical axis of the organisational structure thus consists of the hierarchy of management or the network of managerial authority levels. The hierarchy of management is established through the process of vertical differentiation and integration of authority.

### **Modern Organisational Structures**

Traditional structures are regarded as somewhat out of step with contemporary requirements and realities of rapid change, uncertainty and complexity of environment. Attempts are hence made to modify the traditional structures so as to evolve refined forms of structure. These are variously described as systems structure, project structure, programme structure, *matrix structure*, *task force structure* and *free form structure*. These modern structures are regarded as more organic, adaptive, and flexible and are suitable for complex organisations which employ highly sophisticated technology and which encounter a very diverse and volatile environment.

### **Organisational Climate**

The term, 'Organisational climate' is defined as a relatively enduring quality of the internal environment of an organisation as perceived and experienced by its members, which can be described in terms of specific dimensions or characteristics and which influences the patterns of behaviour and work performance of members. It is the totality of interacting and inter-related internal dimensions or characteristics which significantly influence the motivation of members. Organisation climate evolves over a fairly long period of time and is relatively stable. Since the dimensions of climate are internal, they can be measured, controlled and changed by the organisation, if it so decides. Organisational climate is the major frame of reference for the member's interpretation of organisational decisions and actions as also their own attitudes, behaviour and performance.

**The major dimensions or characteristics of organisational climate are listed below:**

- Organisational values, goals and priorities which are pursued in practice as against those which are professed.



- Managerial value systems and life styles.
- Competence, character, commitment and dynamism of management.
- The complexion of organisational policies and practices and the consistency with which they are followed.
- The power structure - the extent of concentration or dispersal of authority, the extent to which and the manner in which formal authority is exercised, the extent of status disparities, social distance between managers at various levels and between managers and non- managers and so on.
- General organisational structure-hierarchy, rigidity vs. flexibility, clarity of the structure, communication and control systems, superior-subordinate relations, informal social relationships, etc.
- Nature of jobs – degree of skill required, relation between effort and productivity, variety in the tasks, perceived importance of the job, rewards associated with the job, relation with other jobs, security and so on.
- Degree of freedom and control – requirements of conformity and compliance to organisational norms and the extent to which behaviour of employees is structured.
- Supervisory style – attitudes and behaviour of supervisors and managers towards their subordinates and towards performance requirements.
- Reward structure – reward levels and interrelations, equity in reward structures, monetary and non-monetary rewards.
- Organisational approach to conflict and dissent, amicable resolution or suppression of conflict.
- The physical working conditions in the organisation.

### **Factors Affecting Organisational Climate**

Factors affecting organizational climate differ from organization to organization. In some organizations certain factors like structure, or process plays a major role and in some other organizations, technology might be the major factor influencing the climate. However the major factors, according to Lawrence James and Allan Jones affecting the organizational climate can be grouped under the following heads:

**Organizational content:** The reactions of the employees and the degree to which they welcome and accept the managerial philosophy is very crucial to the development of sound and favorable organizational climate. The climate is said to be highly favorable when the existing management techniques are such that employees goals are perfectly matched to the ideas of organizations.

**Structure:** Structure is the framework that establishes formal relationship and delineates authority and functional responsibility. It is generally believed that decentralized structure results in sound climate. In sharp contrast, if the management feels the necessity of maintaining greater degree of consistency in operations regarding decision-making, it will be wedded to centralized structure.

**Process:** In every organization certain processes are vital so that it functions. Communication, decision making, motivation and leadership are some of the important processes through which management achieves the tasks. For instance, if we consider leader-follower relationship, leadership process, it is leader's choice whether to allow subordinates in decision-making, give assignments, etc. A leader has to be aware of the possible influence of his actions on the climate while deciding about the most appropriate supervisory technique for a given situation. It should be noted that failure to give consideration to the effect on climate could cause great harm to the organization.

**Physical Environment:** the external conditions of environment, the size, location of the work place etc., will also affect organizational climate. An employee performing his job in relatively clean, quiet, safe environment will undoubtedly have a favorable perception of the organizational climate. Noise has also been considered instrumental in influencing the climate of an organizational.

**System Values and Norms:** Every organization has discernible and fairly formal value system where certain kinds of behaviors are rewarded and encouraged and certain kinds of behavior forces an individual to formal sanctions. The formal value system is communicated to employees through rules, regulations and policies. But informal value system is very difficult to ascertain. But both exert influence on organizational climate.

In general, organisational climate provides certain stimuli, offers certain opportunities and raises certain expectations among its members; at the same time, it also creates certain constraints, threats, problems and frustrations. Organisational climate influences the perceived ability of the individual employee, which in turn has a decisive effect on his motivation. Perceived ability is influenced by the nature and clarity of the job, the scope of responsibility, degree of freedom, supervisory support and training, safety and other physical working conditions, previous experience and so on.

### **Organizational Culture**

Organizational culture is the set of assumptions, beliefs, values and norms that are shared by the members of an organization. It may be consciously created by its key members, or it may have simply evolved over time. It represents a key element of the work environment in which employees perform their jobs. A culture may exist across an entire organization, or it may refer to the environment within a single division, branch, plant, or department. The idea of organizational culture is somewhat intangible, for we cannot see it or touch it, but it is present and pervasive. Like the air in a room, it surrounds and affects everything that happens in an organization. Because it is a dynamic systems concept, culture is also affected by almost everything that occurs within an organization. They give an organizational identity to employees – a defining vision of what the organization represents. They are also an important source of stability and continuity to the organization which provides a sense of security to its members.

### **Characteristics of Cultures**

Each organization has its own history, patterns of communication, systems and procedures, mission statements and visions, stories and myths which, in their totality, constitute its distinctive culture. Cultures are also relatively stable in nature. Most organizational cultures have historically been rather implicit rather than explicit. A defining characteristic of most culture is that they are seen as symbolic representations of underlying beliefs and values.

## Measuring Organizational Culture

Systematic measurement and comparison of cultures is difficult. Most of the early attempts by researchers relied on examination of stories, symbols, rituals, and ceremonies to obtain clues. Others have used interviews and open ended questionnaires in an attempt to assess employee values and beliefs. In some cases, examination of corporate philosophy statements has provided insights into the espoused cultures (the beliefs and values that the organizations state publicly). Another approach is to survey employees directly and seek their perceptions of the organization's culture. Another interesting method is to become a member of the organization and engage in participant observation.

## Characteristics of organizational cultures

- Distinctive
- Stable
- Implicit
- Symbolic
- Integrated
- Accepted
- A reflection of top management

## Communicating Culture

If organizations are to consciously create and manage their cultures, they must be able to communicate them to employees, especially the newly hired ones. Individuals are generally more willing to adapt when they want to please others, gain approval, and learn about their new work environment. These cultural communication acts may be lumped under the umbrella of organizational socialization, which is the continuous process of transmitting key elements of an organization's culture to its employees. Individualization occurs when employees successfully exert influence on the social system around them at work by challenging the culture or deviating from it.

**Review Questions**

1. Describe the organisational culture that seems to exist in your organisation. What are some of the implicit or explicit norms, values and assumptions?
2. Discuss the bases or forms of departmentalisation in an organisation?
3. Explain various characteristics of Organisational Climate.
4. Distinguish between
  - a. Horizontal & Vertical dimension of organisational structure.
  - b. Commercial & Non – Commercial dimension of organisational structure.
  - c. Traditional & Modern dimension of organisational structure.
5. What are the major dimensions of organisational structure?
6. Describe the factors determining organisational structure.

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## Lesson – 4.2 Organisational Change

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### Objectives

*After reading this lesson, you should be able to:*

- Explain Steps In The Change Process;
- Know Why Change Is Resisted; And
- Understand Strategies Management Uses To Make The Change Effective;

### Lesson Outline

- Pressures for change
- Sources of resistance to change
- Change process
- Management of change
- Review Questions

Changes are taking place all around without exception. It is but natural that everything changes over time. What remains constant is change itself? Therefore, it's the responsibility of the manager to appreciate the change, assess its impact on the organization and prepare to adopt it, if necessary. Depending on the magnitude of change, it may impact an individual, a group, structure, process and subsystems. By scanning the environment and deciphering how changes in the environment are likely to widen the gap between desired and actual state of affairs of organization such as productivity, customer and employer satisfactions, the degree and impact of change could be gauged. Manager can be a change agent by introducing planned changes in the organization.

### Meaning and Nature of Change

The term change in the organization context refers to any alteration that occurs in the work environment. Planned changes mean those changes which are effected in a planned manner after assessing the need for change

and working out the details as to when and how they will be carried out. A planned change is also called proactive change. In contrast, reactive change is the one which takes place in random fashion as a crisis situation develops. For proactive or planned change to be initiated, manager shall be sensitive to the environmental changes affecting the organization so that organizational crisis situations can be averted.

Planned change or pro active change is purposeful or goal directed. There are two widely recognized goals of the planned change. One, it sets to improve the organizational ability to cope with, or adapt to change environment. Second, it seeks to change employee knowledge, attitude and behavior. Change in any part of the organization tends to effect the whole organization. Change is a human as well as a technical problem. Whenever there is a change, social equilibrium in the organization is affected. When change occurs in the organization, it requires employees to make new adjustments as the organization seeks new equilibrium.

### **Pressures for Change**

The need for change exists when the manager finds that the goals are not being achieved. Thus, tension points in the organization are identified when the gap between the desired and the actual results is noticed. Such gaps could occur due to certain changes. In other words, these changes are precursors for organizational change, which are explained in the following pages.

**Labor market Environment:** one important aspect of labour market environment is the changing nature of the work force in terms of aspirations, outlook and various demographic variants. The work force composition is fast changing with increasing proportion of the woman, minorities, physically challenged. For instance, in India the work force diversity, of late is something unseen before. The present generation of work force wants quantification and seeks external reinforcement. Human resource management policies will have to change to attract, maintain a diverse work force. Increasing participation of woman means dual-career couples. So organizations have to change their transfer and promotional policies as well as provide child and elder care facilities. On the whole, there has been an increase in the formal education levels of work force. Modern businesses, therefore, have to redraw their human resources

development plans and methods. Training programs need to be fine tuned aiming at upgradation of skills.

**Technological developments:** Changes in technology bring in their wake corresponding changes in the nature of the work. Computers, telecommunication systems, robotics, and flexible manufacturing systems, flexi time mode are some of the 21st century changes that have brought unimaginable changes at work place with respect to the time, comfort required for the execution of tasks. With changing technologies employees skills become obsolete. Hence, heavy investments become imperative. Modern control techniques substitute direct supervision which leads to wider spans and there by flat organizations. Information technology makes organizations more responsive to consumer demands. Narrow specialization in jobs gives way to work teams whose members perform multiple tasks and actively participates in group decisions.

**Economic conditions:** this is an age of discontinuity. To mention a few, oil shocks, accelerated inflation and interest rates, the stock market crashes, currency devaluation, etc., hit some industries and firms much harder than others. Globalization of markets is yet another significant change. The problem with these shocks is that it is impossible to predict what the future shocks will be and from where they come from.

**Social Trends:** High enrolment ratios are noticed in higher education. Higher education as a sector provides a mass market product. There is a changed composition of student community. Considerable proportion of woman students, part time students, outnumbering regular students has become the order of the day. Universities and colleges which fail to respond to these changes may find the going tough.

**Work place diversity:** Emergence of global markets, mobility of factors of production across the globe, integration of economic systems imposes certain demands on employees who have to interact with people in other countries and work with persons brought up in different cultures. Business organizations, therefore, have to prepare the work force which could perform and feel at home regardless of the place of work and the composition of work teams.

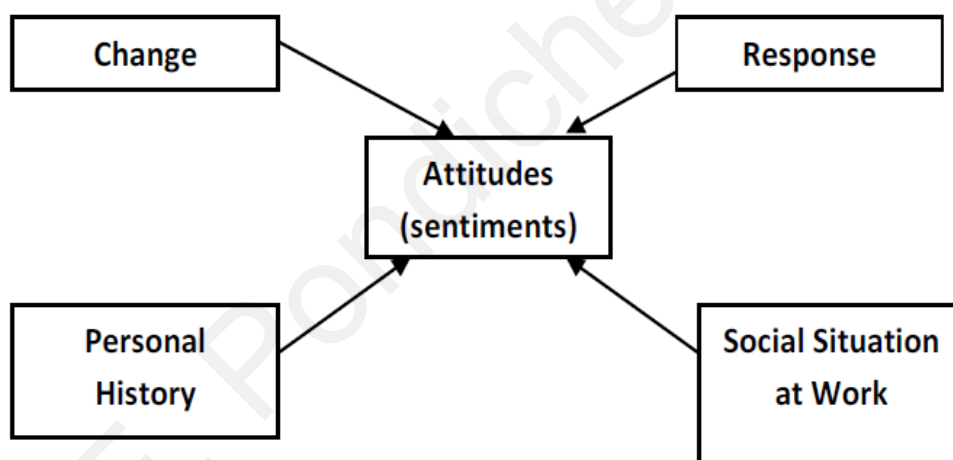
**Competition:** Competition is intensifying by the day in every product



category. Businesses also in line with the changed realities and compulsions need to address themselves to the global context. Competitors may come from anywhere in the world, at times even from quite unexpected quarters. Heightened competition also means organizations need to defend themselves against traditional competitors and small entrepreneurial firms with innovative changes. Therefore, in order to meet competition, successful organizations in future rely on short production runs, short product cycles and a stream of innovative products. These will demand flexible work processes and schedules that can adapt to rapidly and even radically changing conditions.

### Sources of Resistance to Change

Any change is complicated by the fact that it does not produce a direct adjustment. Instead, it operates through employees' attitudes to produce a response that is conditioned by feelings towards change. The following chart known as Roethlisberger's x-chart explains how attitudes affect the response to change.



**Roethlisberger's x-chart**

From the above chart, it is obvious that how people feel about change ultimately determines the response to change. People as individuals interpret change with attitudes in the back ground. The response is expressed through the group behavior. All changes have some costs, economic, psychological and social costs. Because of these costs associated with change, initiatives for change require analysis to determine their

usefulness. Hence, cost benefit analysis of change is required. The goal of any organization is to maximize the benefits. Organizational members are affected in different ways by a change. Some may benefit while others suffer losses. This is the reason why employees tend to resist work change because of the associated costs. The following are reasons for, and consequences of, resistance to change.

### **Three Types of Resistance to Change**

They are Logical, psychological and sociological

**Logical:** arises from the time and effort needed to adjust to change. It is also due to new job duties to be learnt. These are short run costs to be paid by employee, though in the long term they are benefited by change.

**Psychological:** may arise due to attitudes and feelings of individuals about change. They fear the uncertainty, mistrust the management and feel insecurity. Therefore prefer status quo.

**Sociological:** political conditions, opposing union values, narrow outlook, vested interests, and desire to retain existing friendship are some of the reasons for resisting change.

Alternatively, resistance to change can also be studied under individual resistance and organizational resistance.

**Individual resistance:** The source of resistance resides in basic human characteristics, which are presented hereunder in a summary form:

**Habit:** To cope with life complexity, human beings rely on habits or programmed responses. Confronted with a change, the tendency to respond in habitual ways is a source of resistance.

**Security:** persons with high need for security resist change. In technologically intensive society, people perceive threats to the jobs and economic security. Hence, they resist change.

**Economic factor:** one's concern that change will lower one's income is another source of resistance. When pay is tied to performance, people fear

that they may lose their income by not being successful in performing their new job, more so when they need to apply new set of skills.

***Need for security blanket (Fear of the Unknown):*** apart from economic and job security, people prefer predictability and structured patterns in their lives. The need for this security blanket also makes them apprehensive about the change that characterizes ambiguity and uncertainty. Therefore, the preference for known for the unknown is obvious.

***Selective information processing:*** people see the world through their perceptions. They see and try to understand and accept information that is palatable to them. They ignore information that challenges the world they wish to operate in.

***Apprehension about understanding of status and authority:*** change in technology of work methods “undermining authority and status” is a source of resistance to change.

***Resistance is stemming from retooling and retraining:*** knowing that one has to learn new things is a source of resistance to change as any learning involves unlearning.

***Resistance due to non-involvement in the change process:*** when changes are incorporated with little input from those who are affected by them, resistance to change is expected.

***Resistance due to sunk costs:*** older employees seem to resist change more than younger ones. They have more psychological investment in older traditions. This is otherwise known as ‘sunk cost’ of energy and time.

***Organizational Resistance:*** organizations by their very nature are conservative. They also become blindfolded and resist change. Six sources of organizational resistance to change are explained in what follows:

***Structural inertia:*** organizations have built in mechanisms to produce stability such as selection process which chooses certain persons, training and socialization process reinforcing specific role requirements and skills and formalization of jobs for employees to follow. When change confronts organizations, their structural inertia acts as a counter force to organizational stability.

**Limited focus of change:** limited changes in sub-systems of the organization are likely to be opposed.

**Group inertia:** here group norms act as constraints for change. Threat to Expertise: organizational changes may be threat to the expertise of specialized groups. For example, decentralized end user computer was a threat to the specialized skills held by the centralized information systems departments.

**Threat to established power relationship:** any redistribution of authority for decision-making can be threat to established power relationships. For example, participative management is a kind of change seen as a threat to the authority of middle level managers.

**Threat to established resource allocation:** change is seen as a threat by those groups controlling sizeable resources of the organization.

**Consequences of Resistance to change:** consequences are both positive and negative

***Positive consequences***

- Resistance may force management to reexamine change proposals so that they are appropriate.
- Resistance also pinpoints specific problem areas so that management can take corrective action before problems become serious.
- It also encourages management to communicate change which in the long run ensures acceptance of change.

***Negative consequences***

Organizations failing to overcome resistance to change have to pay a price. Change of greater magnitude introduced without gaining employee acceptance may lead to overt consequence such as employee unrest leading to strike, gherao, sabotage, etc. Implicit reactions to change may lead to alienation from the job i.e., tardiness, absenteeism and turnover.

## Change Process

Since management initiates more changes in the organization, its primary responsibility is to implement change successfully. Management is called a change agent because its role is to initiate change and make it work. Many changes also originate in external environment. Rate of change varies according to nature of environment. Stable environment means less change. Dynamic environment means more change.

Kurt Lewin, the father of change process, stated three stages in initiating and establishing any change unfreezing, changing and refreezing.

**Unfreezing:** It is a process of preparation for change through discontinuation of the old practice, attitudes, or behaviours. This is the initial stage where change agents sense need for something new and are impatient with status quo. Thus the system is to be unfrozen from its complacency.

**Changing (or moving):** In this stage planned change is initiated and carried out. Change could relate to any aspect of the organization. With the participation of members affected by change, changes have to be carefully implemented.

**Refreezing:** This phase ensures that the planned change introduced is working satisfactorily and there is a reasonable guarantee that the change will indeed fill the gap and bring the system to the desired state of equilibrium. If the refreezing phase is neglected, the change will not bring desired result and may be even total disaster.

## Management of Change

Organization at any given time is a dynamic balance of forces supporting and restraining any change. The organization system is in a state of relative equilibrium. The current practice continues until the change is introduced. Change is introduced with in a group by increasing the supporting forces for it and/or reducing the restraining forces.

**Strategies to build support to change:** Chin and Benne describe three strategies managers commonly use in introducing organizational change:

**Empirical – Rational Strategy:** Managers acting as change agents must subscribe to the belief that people are rational beings and if they understand that the proposed changes will benefit them, they tend to accept change.

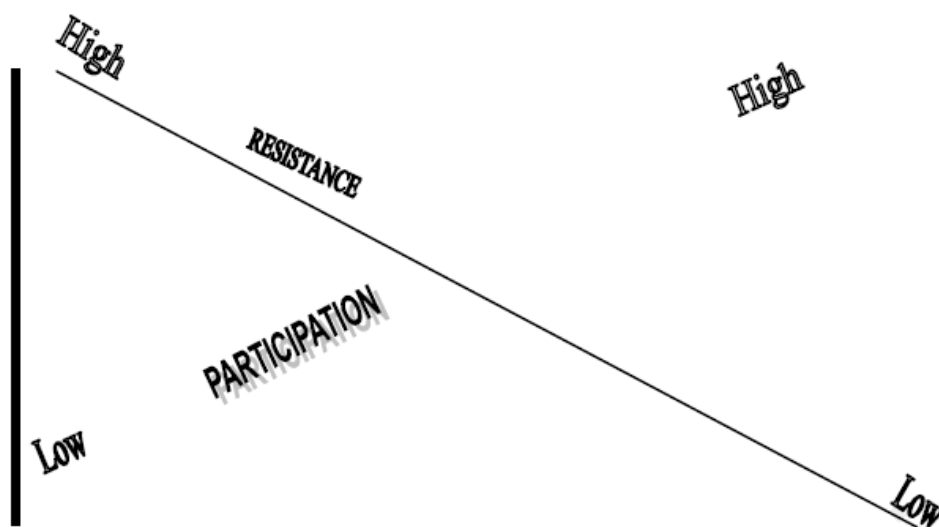
**Normative – Reeducative Strategy:** In this strategy, the belief is that people are guided by the socio-cultural norms they subscribe to. Hence, the change agent and those who will be influenced by the change should participatively and collaboratively plan and implement the necessary change.

**Power – Coercive strategies:** are used by the change agents assuming that people with less power will accept change brought by people with more power in the system..

Resistance could be to change itself, to the strategy to implement change, to the change agent or to the timing of change. Since there is no one best way of dealing with resistance to change in all situations, the following general approaches are used in handling resistance.

(i) **Education and Communication:** where there is a dearth of information or when inaccurate information is floating around, the change agent can discuss the change contemplated or apprise the employees about the logic of change and its attendant benefits. Once the employees are educated and enlightened about the positive aspects of change, they accept change.

(ii) **Participation:** Participation encourages commitment rather than mere compliance with change. Greater the participation, lesser the resistance to change. This is illustrated in the following figure



**Participation Curve**

(iii) **Facilitation and Support:** because of fear of inability to readjust, people resist change. To overcome it, the support in terms of empathic listening and training help the individuals to deal more effectively with their adjustment problems.

(iv) **Negotiation and Agreements:** individuals and groups may resist change because they will be at a disadvantage when the proposed change is introduced. In such situations incentives or special benefits are offered to those resisting change so that they cannot block change.

(v) **Coercion:** Implicit and explicit coercion can be used when changes have to be speedily enforced or when changes are of temporary nature.

(vi) **Manipulation and co-optation:** Covert attempts (manipulation) such as selective sharing of information and consciously structuring certain type of events would win the support for change. Giving key role to those revisiting change in the change decision is known as cooptation.

(vii) **Leadership for Change:** effective leadership reinforces a climate of psychological support to change. Change is more likely to be successful if the leader introducing change has high expectations of success.

**(viii) Use of Group Forces:** The idea is to help the group join with management to encourage and support desired change.

**(ix) Working with Unions:** Union-management differences lead to conflict over change. Most unions support change that is carefully planned to protect member interests.

**(x) Working with the Total System:** resistance to change can be reduced by helping employees to recognize the need for each change, to recognize the need for each change, to participate in it, and to gain from it.

### Review Questions

1. "Change is basically positive." Discuss the pros and cons of this statement.
2. Resistance to change is often viewed negatively. Discuss some possible benefits of resistance to change in an organisation.
3. Considering that change even further, was there an organisational learning curve for it? Discuss its length shape and some of the problems that developed.
4. Continuing the analysis of this change, how did management alter the restraining and supporting forces for it? Discuss.
5. Think of an organisation change that you have experienced. Was there resistance of the change? Discuss. What could have done to prevent or diminish it?

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**UNIT – V**

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**Lesson – 5.1 Trends in OB and Consciousness Management**

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**Objectives**

After reading this lesson, you will have a better understanding on current trends and developments in the area of Organisational Behaviour. The interesting and intriguing concept of conscience is dealt in this lesson and also a brief introduction on how to manage the conscience will be of help to you to lead a better qualitative life in the organisation.

**Lesson Outline:**

1. New trends in the study of Organisational Behaviour
2. Consciousness and Conscience Management

**Trends in Organisational Behaviour**

World has seen a great starting point of change from the COVID 19 pandemic. We all have witnessed the world-wide lockdowns and staying at home for the longest of long periods of time. The organisations faced complex situations, insecure business environments, crashing of stocks, low production and so on. From December 2019 the performance of Organisations are severely impacted, the real meaning being – as the performance of the employees faltered due to various reasons like fear of Covid, fear for the loved ones in the family, fear of losing the job and as a result, the overall performance of the organisations plummeted.

The organisational behaviour of the employees has changed in the foundation itself, for one reason – The culture of Work from Home has started. The concept of flexible work place and flexible timings were so far studied and implemented in few organisations in fewer countries has become the worldwide new normal working conditions.

The work from home has become so strong that there are numerous companies who have vacated their multi storey building offices and stated working from small hubs where only supervisory staff and managers will monitor the work of thousands of employees who are working from home.

The rental and other expenses are brought to a minimum by this method.

### **1. Work from Home – The new normal Culture**

The policies, procedures, rules, regulations – all underwent a humongous change and as per the practices, which is a fresh start, because so far, the practices will change as per the rules and regulations drawn by the company. Now, the practices precede the Policies. Smart automation systems, Artificial intelligence and interconnectivity are the need of the time and were improved and implemented in many organisational processes. Hence, the lookout for the human resource development and utility are undergoing a change as well.

#### ***Changes and developments***

The middle level managers and supervisors with a bigger span of control were forced to deal with the changes as they were at the fore front of tackling the human resource. As the employees were not at a proximity, the organisational environment are transformed with new cultures, no climate to ascertain. And disrupted work timings. The research works to study the massive changes in organisational behaviour is still on, as the scenes change very abruptly and rapidly. The behaviour of the employees are not easy to predict in such volatile situations.

The areas where the changes in the behaviour have hit hard are

- Employee engagement
- Employee loyalty
- Turnover and attrition
- Motivation
- Morale
- Learning
- Stress in work place
- Team playing
- Job autonomy
- Acceptance to changes
- Performance appraisals and consequences

### ***Impacts of Work- from Home***

The lack of control over the productivity of the employees is the major issue in this new culture. As a consequence, the supervisory staff, who has to be in toes most of the time to ensure that the productivity is at right pace, will develop trust issues with the subordinates and the subordinates will develop the same with the superiors.

When this issue of trust comes to play, the other important factors to elicit desired behaviour from employees such as motivation and engagement will be weak. Another important weak link in this chain is, there is less scope for team cohesions as teams are all virtual.

The innovation of hybrid workspace, that is, part work from home and part work in the workplace is gaining momentum in a faster pace to counter these negative effects of work from home culture. In these methods, employees will be required to be present in the work place for few days in a week and the remaining work days, they can work from home. In this way, the cohesion, trust and innovations can be kept at a satisfactory level. They can meet with their peers and clients, get out of their home for few hours and have the satisfaction of working in a proper work place with all the amenities and necessary technical support which is missing in the work from home method.

On the other hand, the work from home culture has multiple positive effects too.

- First and foremost is the impact on the environment. As the people movement is drastically decreased, it will result in lesser commutations, transport fuels and other cascading effects due to this.
- The concept of work life balance was a distant dream to the employees who were overloaded or has to spend more time at the work place. Now, the personal life is at close to the hand and hence the work life balance is at its premium.
- As already mentioned, the operational expenses of the companies are brought to bare minimum as the rent for office space, Electricity charges, Internet connectivity charges and other functional expenses are

eliminated.

- The employee job satisfaction is said to be increased mainly due to the work life balance

The psychological impact of the employees to sit at home and work, converting home space into work space are all yet to be ascertained for sure, as the studies conducted so far are not sufficient to conclude on the impact created by this work from home culture. But, one thing the organisations has to step forward is assist the employees in this transition by providing support, tools, instruments, technology and training to cope up with this situation.

## **2. Relationships**

The authority transition from managers to employees due to work from home and globalisation has changed the perception of looking at the relationships in workplace, particularly between the employer and the employees. Autocratic methods of leadership is replaced by more of participative style. Due to the flexible workplace, employees feel more onus towards their job and the organisation.

## **3. Changing demography**

Migration of workers is on a roller-coaster since the pandemic and hence, the demography of work force is changing forever. Employers now has to understand their recruits and adapt to new recruitment techniques.

## **4. Role of Information Technology**

Technological advancements are spearheading the changes in the area of defining roles of the employments. The usage of Artificial Intelligence is said to be a game changer in many industries, particularly software industry and skill-based manufacturing industries. For examples, the coding is to be developed by AI and there are automated machines to carve woods which was a manual skill before. Hence, these changes are going to have a great impact on the organisations, and the behaviour of people in the organisations.

## Consciousness and Conscience Management

Despite much progress consciousness remains as elusive as ever. To start with this complex topic, let us see the meaning of Consciousness. Consciousness is “being aware”. It is as simple as that. But, defining “being aware of what” is complex. You can say, consciousness is being aware of the things surrounding one person. According to Daniel. C, there are reasons to believe that conscious mind is not just “brain”. The four reasons he states are,

1. conscious mind acts as medium to analyse
2. Conscious mind is the “I” when we say “I think”
3. Conscious mind is the one which appreciates, loves, hates or any other emotion and
4. Conscious mind acts with moral responsibility.

### Conscious management

According to Siddhartha “Being Conscious” means transcending the usual day-to-day level of your mind which makes you to unconsciously react to some situations and be influenced by your attitudes and outcomes of your past experiences. Hence, if we try, we can take up the responsibility of our behaviour in our life. Remaining in the consciousness may not be possible all the time, and we do act without awareness unconsciously. But, remaining in conscious can break you free from past conditioning and will help you to decide with intelligence rather than making mistakes based on past experiences. Being conscious is more of being in the moment, alive. Hence, we can say that a proactive behaviour, spontaneous propensity is basically managing conscious.

Unlike the routine activities like walking, cycling or driving, which are most of time performed unconsciously, the non-routine matters need total conscious. If these events are performed semi-consciously or unconsciously, we may loose the desired outcome. Hence, to get the most out of our life events, it is advised that even the routine matters which are performed with conscious will be highly effective, for example, breathing is done unconsciously. But when it is performed with consciousness, it becomes a mechanism to improve our health.

**Review Questions:**

1. Define Consciousness
2. Which is more production oriented in your view and experience  
– Work from Home, work at the workplace, Hybrid mode? Justify your choice.
3. What is conscience management? Why is it necessary to study under organisational behaviour?

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## Lesson – 5.2 Competency and Behaviour

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### Objectives:

After going through this lesson, you will be able to understand about the organisational goals and how to bring in the employees to achieve these goals. Also, we will see about gender sensitivity and Competency Level and behavioural Dimensions of employees in this lesson.

### Lesson outline:

1. Alignment of employees with the vision of the organisation
2. Gender Sensitivity
3. Competency Level and behavioural Dimensions of employees

### Organisation vision

A vision is an idea of the organisation on how it should be in the future. This idea will be based on company principles, ethical codes and morals followed by the company. Vision is different from the mission of the company, mission describes the core purpose of the company, whereas, vision is a statement on future directions and destinations where the company would like to be.

The common problem with many companies and their vision statements are,

- more focus on catchy phrases and jargons than the real meaning of the vision. The complexity in the words more often leads to ambiguity.
- Misleading information based on the present scenario rather than forecasting the future trends.
- Forgetting to imbibe the core values of the organisation

### **Individual career goals**

Career goals of an employee is a powerful motivational factor. The challenge lies in determining these career goals for people. Its because of two reasons, one is the individual may not have clarity on what he wants to become and second is the organisation doesn't have time and patience to analyse and find the individual goal.

Particularly, neither the HR or individual departments are not in a position to enquire nor the employees can speak of their goals freely in the organisation. For example, the new recruit may have joined the organisation to learn the trade and have his own start up, but, until he leaves the organisation, he cannot speak that or his boss will not ask about his goals.

These conflict of goals with the organisation and the individual employees will result in low productivity and delay in achieving the goals. Devising a competency model which is clear, accurate and in context with the organisational goals will certainly help the HR department and the parent department of the employees in facilitating the fulfilment of requirements of the employee's career goals. In return, this fully integrated competency model will be more valuable in the process of interpreting the organisation vision to the employees. This will enable the contribution from both sides to achieve both goals.

### **Gender Sensitivity**

Gender sensitivity is the behavioural manner that shows due respect for the other gender. Every person in the organisation, no matter what their designation is , have self-dignity. Every person is different and have different emotions, feelings and needs. Understanding these differences of opposite sex and acting upon this understanding is gender sensitivity. Gender sensitive organisations are organisations which strive to bring in the safety measures to ensure the upkeep of self-dignity of women. These organisations stress on the implementation of policies and procedures specially drawn keeping the special needs of women. Gender sensitivity organisations takes the following issues of women seriously:



- Psychological dignity
- Emotional labour
- Child care
- Sanitation facilities
- Vulnerability

### **Gender Mainstreaming**

Giving emphasis to the policies and procedures is not enough to get gender mainstreaming. If an organisation wants to go mainstreaming in gender equality, then forming enquiry committees or Women cells to redress the sexual harassment cases is insufficient. Gender mainstreaming is achieved only when values are imbibed to all – not to particular genders. Imbibing values include respect, empathy, understanding emotions and security to other gender.

A conducive environment will be created only when women feel safe and can be themselves and to create this environment, the participation and contribution of men is imminent. There is a quote which says “Men use thoughts to justify their injustices and speech to conceal their thoughts”. Change has to happen from all the sides of organisation to achieve this huge task.

### **Competency level and behavioral dimensions of Employees**

Competency is a skill, knowledge, attribute or underlying character of a person that enables a person to deliver maximum performance in the job. Every job is designed with a set of competencies. The requirement of expertise for every job differs and hence the employees to be recruited based on the competence level they possess to suit for the need of expertise to accomplish the job.

A competency map is a list of all competencies required for the maximum performance of the particular job. Competency mapping help in selecting the right candidates while recruitment.

On the other hand, a predefined competency set will give a clear picture of understanding for the employees on what is expected from him. This clarity in the expectation results in better performance, eliminates

role ambiguity and pulls the desired behaviour from the employees.

Competencies are divided into two types: Technical competency and behavioral competency. Technical competency is the skill, technical know-how, knowledge, craftsmanship required for performing a particular job. Behavioral competency is not for a particular job, but the overall skill and ability to manage people.

**Review Questions:**

1. Explain the importance of having a clear Organisational vision.
2. Write a vision for a company that you would like to start up.
3. What is Gender sensitivity and why is it gaining momentum?
4. What is competency and how is it related to recruitment?

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## Case Study:

### Glass Ceiling

Samruthi is fortunate to get into the Top Executive pool of the Company owned by her father Mr. Kochar. She has seen the company - "Kochar and Sons" - growing from her childhood. It is in its peak - flourishing and the market favoured the unstinted growth. Samruthi has three siblings- all brothers, two younger and one elder.

Elder brother is an artist and went to USA to pursue higher study in arts and settled there against Mr. Kochar's wishes that he should succeed his business throne. Of the two younger brothers one is in MBA and another is in training stage in the company. Kochar's wife got ill and for further treatment needs to go to USA (as her elder son welcomes her with both hands wide spread). Kochar whole heartedly wants to accompany wife till the end of their lives.

As any other Indian parent, Mr. Kochar, before his long departure from Company and Country, wanted to fulfill his two major responsibilities -

- Handing over his company to one of his younger sons, who ever deems fit and
- Handing over his daughter (as in marriage!) to one of his friend's sons, who ever deems fit!

His choice for company is his second son and part of the factory to third son. His choice for his daughter is his close friend's son - a well known Cardiologist in the Country. Both choices are rejected by ambitious samruthi, who dreamed of succeeding her father.

1. If you are Samruthi, what would you do?
2. If you are a policy maker, what is that you are seeing in this scenario?
3. If you are a Sociologist, how are you justifying the father?
4. If you are a HR Personnel, how do you want this case to end?

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