# GAUHATI UNIVERSITY
# Centre for Distance and Online Education

## M.Com. Second Semester

**(Under CBCS)**

## MASTER OF COMMERCE

## Paper: COM 2026
## ORGANISATIONAL BEHAVIOUR

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# BLOCK I : UNIT-I
## INTRODUCTION TO ORGANISATIONAL BEHAVIOUR

**Unit Structure:**

## 1.1 INTRODUCTION

You are familiar with the fact that different people show different types of behaviour. The behaviour is reflected through one's personality, perception, attitude, motivational need and the like. The behaviour of a person, to a great extent, also depends on a particular situation. When we discuss behaviour in the context of an organisation, the subject becomes more interesting as people with different backgrounds and personalities work together in an organisation to achieve certain common objectives. In this context, the role of a human resource manager or a leader is very important to get the work of the organisation done by managing individuals and groups with different types of people. As individuals, it is also important for us to understand why people behave differently and how to deal with different people, particularly in an organisational context. All these aspects make the study of organisational behaviour important.

You will be interested to discuss the concept of organisational behaviour and how it developed over the years. The theoretical framework of organisational behaviour, discussed in this unit, will help you in understanding human behaviour and how it interacts with the behavioural consequences and the environmental variables.

**1.2 OBJECTIVES**

After going through this unit you will be able to

- discuss the concept and evolution of organisational behaviour.
- discuss the importance of studying organisational behaviour.
- explain the disciplines that contribute to the development of organisational behaviour.
- discuss the theoretical framework of organisational behaviour.
- describe the challenges of organisational behaviour.

**1.3 CONCEPT OF ORGANISATIONAL BEHAVIOUR**

We will begin our discussion by focusing on the concept of an organisation. You are aware that an organisation is composed of people who work together to achieve predetermined organisational objectives. The people in the organisation work according to the common plan and direct their efforts towards the achievement of common objectives. The objectives may be varied depending on the nature of activities undertaken in the organisation, like undertaking business, providing services, group of students organising a picnic party, a local club organising any competition, blood donation camp etc. Whatever may be the objectives, the organisation follows a particular structure, known as organisational structure, to entrust the duties and responsibilities to each individual member by following the principle of 'division of labour'. At the same time they are bound by lines of communication. Their efforts are coordinated by the leader.

**STOP TO CONSIDER**

Make a list of the features of any organisation where you are a member or any organisation that you have seen in your locality. Write down how they perform their activities.

It is the 'people' who run an organisation. The people with different backgrounds, expertise, experience, behaviour joins an organisation and work with others. In the context of an organisation and people working in the organisation, it is quite interesting to discuss the *influences* of the people on the organisation and vice versa. The topic 'organisational behaviour' that we are going to discuss helps us in understanding these *influences*.

Organisational behaviour, generally referred as OB, is a multidisciplinary field of study that takes input from a number of other disciplines. OB is concerned with the study of the individual, group and structure within the organisation. It studies how an organisation operates by taking into account the behaviour of individual employees and groups of employees and how these build up organisational effectiveness. It measures organisational effectiveness in psychological terms rather than quantitative measures. Study of OB is

essential for the managers and leaders to deal effectively with the 'people'. It is equally important for each individual employee to understand their own behaviour and the behaviour of colleagues.

As OB is multidisciplinary, it is essential to know the disciplines which make significant contributions towards the field of OB. These are mainly psychology, sociology, anthropology, economics and management.

## SELF ASSESSMENT QUESTION

Make a list of your own behaviour when you are in the midst of friends.

## CHECK YOUR PROGRESS 1

Q. 1: What is organisational behaviour?

## 1.4 EVOLUTION OF ORGANISATIONAL BEHAVIOUR

The study of organisational behaviour has evolved over the years, influenced by various schools of thought and theories. Certain areas of OB even date back to the days of famous philosophers, like Plato and Aristotle, when they advocated the importance of leadership and clear communication. As it evolved, the Hawthorne study conducted in the 1920s and 1930s, emphasised the importance of social factors in the workplace. Since then, OB has seen several developments, including the rise of human relations theory, contingency theory, systems theory, and the more recent emphasis on organisational culture and emotional intelligence. What is interesting is that OB is continuously evolving by incorporating the thoughts of other disciplines and making it a distinct field of study within the broad boundaries of management.

## SELF ASSESSMENT QUESTION

Write a note on Hawthorne study.

## 1.5 IMPORTANCE OF STUDYING ORGANISATIONAL BEHAVIOUR

As the subject of OB is growing, its importance is also increasing. Knowledge in organisational behaviour is important at the level of an individual as well as organisation. So far as individuals are concerned, it helps in understanding oneself, creates self-awareness, identifies personal strengths and weaknesses, and understanding how to work effectively with other individuals.

On the organisational level, understanding OB is important as it helps in improving employee motivation, increased productivity, reduced turnover, smooth industrial relations and better employee satisfaction.

The leaders can make effective use of OB in practice. They can make reasonably accurate predictions about employee behaviour. No two individuals are the same. Two different individuals behave differently in similar situations. For example, you may be interested to study at home during weekly holidays but your friend may insist you watch a movie during the holidays. Even the same individual shows different behaviour at different situations. Your behaviour at your friend's marriage party will be different from the behaviour at a religious function organised by you at your home. This complexity makes OB a complex subject. Therefore, leaders need to understand the behavioural aspect of each employee when applying any motivational technique or any other organisational strategy. There may be some resistance from the employees to implement any change programme in the organisation. The job of a manager is to overcome the resistance and facilitate the smooth functioning of the organisation. Furthermore, OB facilitates framing strategies in organisations in the rapidly changing business environment, considering individual values, group norms and organisational mission.

### STOP TO CONSIDER

Observe one of your friend's behaviour in two different situations, compare these with yours. Write down your observations.

**CHECK YOUR PROGRESS 2**

**Q. 2:** Discuss the importance of organisational behaviour in an organisation.

## 1.6 CONTRIBUTING DISCIPLINES IN ORGANISATIONAL BEHAVIOUR

The field of OB is enriched by the contribution of different disciplines. As OB primarily dealt with human behaviour, a multidirectional approach is essential. Human behaviour cannot be explained quantitatively. It needs to be explained in the context of personality, attitude, motivational needs of individuals as well as the individuals' behaviour in a group situation and so on. These are the functions of interaction of more than one factor ranging from family, culture, society etc. For better understanding, it may be stated as under-

Human Behaviour = Personality + Values + Attitude + Perception + Motivation + Group Behaviour etc….

OB = Human Behaviour + Group Behaviour + Situation + Organisational Structure

It indicates that while explaining and predicting human behaviour, different angles need to be considered. OB, therefore, draws inputs from different other disciplines which are concerned with human behaviour. Let us discuss some of these disciplines and their contribution to OB.

**Psychology:**

Psychology explains human behaviour. It studies individual behaviour. Psychologists contributed and will continue to add in the field of OB, specially in the areas of learning theories, personality theories, industrial and organisational psychology etc. Earlier contributions were restricted with the issues of fatigue, boredom etc. in the workplace. The recent contributions of psychologists towards OB are related to perception, emotions, training, leadership effectiveness, motivational forces, performance appraisal, job stress etc.

**Social psychology:**

It brings the concepts both from the disciplines of sociology and psychology. It considers the influence of one individual on the other. The branch has contributed towards organisational change, how to implement it and how to reduce barriers to change. It has also contributed in

the areas of communication pattern, understanding attitudes, building trust, group behaviour, power and conflict and so on.

**Sociology:**

One of the concerns of OB is dealing with the group of people and group behaviour. Sociology studies humans in the context of the social environment and group behaviour in complex organisations. The sociologists mainly contributed in the areas of organisational culture, formal organisational theory and structure, organisational technology, communications, power and conflict.

**Anthropology:**

Anthropology is another discipline that contributes towards the growth of OB. Anthropology studies the societies to know about the people in terms of culture, environment etc. It helps in understanding the differences in values, attitudes, behaviour etc. among the people of different regions and countries. As organisations are becoming complex in terms of people joining from different countries, understanding their behaviour is a challenge for managers. The discipline of Anthropology helps the managers to deal with such matters.

## 1.7 THREE LEVELS OF INFLUENCES IN ORGANISATIONAL BEHAVIOUR

By now, we have discussed the concept of OB, importance, contributing disciplines etc. This gives an idea that OB is influenced by mainly three factors- individual, group and the organisation. While studying OB it is important to analyse how these factors influence OB. Let us discuss these three factors-

- **Individual:** The individual refers to all the individual employees working in an organisation. You are aware that each individual is different from the other. The individual habits, liking, disliking, perception, attitude towards work, incentive scheme, motivational level etc. all are different from others. Therefore, each individual works differently and this influences the group dynamics and the organisation as a whole. The organisation's working environment is conditioned by the individual's behaviour at the workplace. The working environment may be very productive if the employees show a positive and productive behaviour. Alternatively, the working environment will be negative if the employees show negative behaviour. The problem lies in the fact that it is not possible for the organisation to study each individual employee and frame policies accordingly. Therefore, the organisation

frames certain policies, guidelines, code of conduct for the employees and communicates these to the employees. The company makes the employees aware about the expectation of the company and try to influence individual behaviour, which in turn, will influence OB.

- **Group:** In an organisation, an individual cannot perform all the tasks. It requires a joint and coordinated effort to achieve the organisational goals. This requires forming a group of individuals by the organisation. It requires at least two individuals to form a group. The members of the group are interdependent and they interact among themselves and with other groups or individuals in the light of the tasks to be done. The groups which are deliberately formed by the organisation are called formal groups and are known by various names, like committee, task force, department etc. The size of the group may vary depending on the task to be done. As you are aware that individuals influence a group and the group activities. In the same way, the group influences the individuals and the organisation also. A group consists of positive individuals, motivated and hard workers, definitely achieve the group objectives and ultimately help in the achievement of the organisational objectives. However, there are some groups which are not formed by the organisation but are formed by the interaction of the employees of different departments or sections working in the same organisation. The informal group is the result of the social interaction that takes place among the employees irrespective of their parent department or the level at which they are working. The production manager having lunch at the office with the Account Officer or women employees having a cup of tea at the office canteen are the examples of informal groups. These groups are not bound by the organisational framework and there is no hierarchy in the process of communication and so on. They are alliances to the formal group but in no way have command over decision- making.

- **Organisation:** At the higher level, the organisation encompasses the individuals and the groups. The organisation by framing organisation-wide policy, popularly known as corporate plan in the business world, brings together the efforts of each individual and each group and directed towards the success of the organisation by achieving the organisational goals. A successful organisation facilitates employee well- being and creates a good working environment. This way, the organisation influences the individual and group behaviour which contributes towards development of OB.

## 1.8 THEORETICAL FRAMEWORK OF ORGANISATIONAL BEHAVIOUR

OB is the study of human behaviour and it aims at understanding, predicting and managing the behaviour of people working in an organisation. In achieving these aims, the theoretical framework of the subject is important for the practitioners. Therefore, let us have a discussion on the theoretical framework of OB.

While discussing the framework, emphasis needs to be given on: Behavioural framework, Cognitive framework and Social Cognitive framework. These are discussed below-

- **The behavioural framework of OB** is based on the classical conditioning theory which was developed by Russian physiologist Ivan Pavlov in the early part of 20th century. The theory can be explained with the help of stimulus and response. 'Stimulus' refers to the force or motivation and the 'Response' refers to the reaction or behaviour. Pavlov conducted an experiment with a dog where he observed the phenomenon of salivation by the dog. The dog normally salivated when food was given. Pavlov then rang a bell but the dog did not salivate. Then he began to ring the bell immediately before food was given to the dog. He systematically conducted a number of trials by combining the ringing of the bell and food to the dog. After several pairs of the bell ringing sound and food, the dog began to salivate as soon as the bell rang, as the dog learned that food was about to be served. The dog learned the behaviour (response) by associating the sound (stimulus). The dog salivated on listening to the sound even though food was not served. This is a conditional response and this process of associative response is known as classical conditioning. It indicates that a neutral stimulus when combined with a stimulus naturally produces the desired behaviour and when this association is learned, the neutral stimulus is sufficient to produce the desired behaviour.

  Another theory 'operant conditioning' bears considerable significance for OB. This theory was developed by Psychologist B.F. Skinner, who viewed that 'classical conditioning' is limited to the existing behaviour only and does not account for new behaviour. He developed the theory on the assumption that behaviour is motivated by the consequences for that behaviour: the reinforcements and punishments. A positive consequence makes that behaviour more likely to be repeated in the future. Negative consequences of behaviour leads to less likelihood of repeating such behaviour. The difference between classical conditioning and operant conditioning is that in classical conditioning, the stimulus occurs immediately before the response, while in operant conditioning, the stimulus occurs immediately after the response.

For example, achieving sales targets (desired behaviour) is reinforced by a hike in salary (reinforcement). On the other hand, pay cut (punishment) for taking excessive leave from work (undesired behaviour). An organisation by providing positive reinforcement can expect the occurrence and recurrence of desired behaviour on the part of the employees.

- **Cognitive framework of OB** is based on the thinking process of humans. The word 'cognitive' refers to the mental process of knowing, learning and understanding things. The framework suggests that cognition precedes behaviour. It acts as input for a person's perception, thinking, problem solving, information processing etc. Cognitive framework emphasises on the positive and freewill aspects of human behaviour. Edward Tolman has significantly contributed to the cognitive framework and stated that learning consists of the expectation that a particular event will lead to a particular consequence. An individual is aware of the goal and the result of a behaviour exhibited by him/ her. The individual desires or knows or is aware about the goal and also knows the behaviour that will lead to achievement of the goal. This framework of OB is concerned with the concepts like, perception, personality, attitudes, motivation, behavioural decision- making and goal setting.

- The **Social Cognitive framework of OB** suggests that human behaviour is the result of interaction among cognitive, behavioural and environmental variables. The cognitive and environmental variables along with the experience generated by previous behaviour determine the successive behaviour. The social part of this framework considers what an individual learns from the society and the cognitive part considers the thought process of human beings and how they contribute to motivation, attitudes and action. In the context of an organisation, the employees are the products and the producers of their personality, respective environment and behaviours. As a group, they produce the environment, and the individual is the product of that environment. The individual, through his/ her behaviour, influences the environment for others as well as influences himself/ herself. Every individual is the product of his/ her personality and at the same time, this personality is influenced by his/ her own behaviour.

**STOP TO CONSIDER**

Find out more examples of the social cognitive framework of OB.

**CHECK YOUR PROGRESS 3**

Q. 3: What is the cognitive framework of OB?

## 1.9 CHALLENGES FOR ORGANISATIONAL BEHAVIOUR

All organisations work within an environmental framework. Therefore, it is bound to have an environmental impact on the working of the organisation. If the environment becomes complex, the organisation will also become complex requiring the management to deal with complex matters.

As far as business organisations are concerned, the modern day business environment is very complex in terms of macro and micro environmental factors. You are aware that business managers have to work within the limitations of these factors and the manager has little or no control at all on these environmental factors.

The business organisations also have changed owing to changes in the business environment. The complexity is also present when dealing with the human resources of an organisation. The human resource manager dealing with individual, group of individuals and organisational structure need to be cautious due to the complexity in managing the variety of the factors that influence individual behaviour, group behaviour and organisational behaviour. When we see organisations of modern days, it is generally seen that organisations are working with less human resource and more machines; less permanent employees, more temporary employees; more women workers; more skilled and career conscious workers; multinational companies and multinational workers. This change in profile of human resource inventory creates challenges for OB. These may be discussed as under-

- **Globalisation:** Organisations are no longer a national business entity serving customers of one nation. The organisation, now, deals with customers of varied nations or establishes the production facilities in different locations around the world. Therefore, employees are also recruited from different locations of the world, making it a diverse group of employees having diversity in culture, education, attitudes and so on. This poses a challenge for the manager to manage the organisation with a diverse group of people.

- **Foreign assignments:** The companies post their employees at different foreign locations. The manager having experience of one nation may find it difficult to apply the same management principles in some other nation. The employees engaged in the other country may have different attitudes and aspirations, etc. Therefore, the manager needs to apply a different set of techniques to manage the group of employees.

- **Diverse culture:** Organisations have not only become multinational in terms of business but also in terms of the people working in these organisations. It becomes a necessity to recruit people in the organisations across the nations to meet the requirements of ever expanding business. These people carry their own cultural beliefs wherever they are posted. They come in contact with the fellow employees who may be the natives of the particular country or may belong to some other country. The manager needs to understand the differences among the employees because of cultural, language, religious and other diversity.

**CHECK YOUR PROGRESS 4**

**Q. 4:** Discuss the challenges of OB in terms of global business.

**1.10 SUMMING UP**

In this unit we have discussed the following aspects-

- Organisational behaviour is the study of human behaviour in the context of an organisation.
- OB is concerned with the study of the individual, group and structure of the organisation. It studies how an organisation operates by taking into account the behaviour of individual employees and groups of employees.
- The evolution of OB and the different disciplines like psychology, sociology, anthropology etc. which contribute to the growth of OB.
- The study OB helps individuals and organisations to optimise the performance, enhance teamwork, and adapt to the ever-changing business environment.
- The three levels of influences in OB are the individual, group and the organisation.
- The behavioural, cognitive and social cognitive framework of OB.
- OB helps the change agents to create a positive and productive work environment that leads to growth of individual employees, enhances team spirit and ensures organisational success.
- The different challenges of OB, which arises due to globalisation, diverse culture etc.

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## 1.12 MODEL QUESTIONS

**Q. 1:** What is meant by organisational behaviour?

**Q.2:** Discuss the importance of organisational behaviour.

**Q. 3:** Discuss the theoretical framework of organisational behaviour.

**Q. 4:** Discuss the contributions of different subjects to organisational behaviour.

**Q. 5:** Discuss the challenges of organisational behaviour.


## 1.13 ANSWERS TO CHECK YOUR PROGRESS

**Ans. to Check your progress 1**

Organisational behaviour, is a multidisciplinary field of study that draws input from a number of other disciplines. It studies how an organisation operates by taking into account the behaviour of individual employees and groups of employees and how these build up organisational effectiveness. OB is important for the managers and leaders to deal effectively with the employees. It is equally important for each individual employee to understand their own behaviour and the behaviour of colleagues.

**Ans. to Check your progress 2**

In an organisation, understanding OB is important as it helps in improving employee motivation, increased productivity, reduced turnover, smooth industrial relations and better employee satisfaction.

**Ans. to Check Your Progress 3**

Cognitive theoretical framework suggests that cognition precedes behaviour. It acts as input for a person's perception, thinking, problem solving, information processing etc. It emphasises on the positive and freewill aspects of human behaviour. An individual is aware of the goal and the result of a behaviour exhibited by him/ her. The individual desires a goal and also knows the behaviour that will lead to achievement of the goal. This framework of OB is concerned with the concepts like, perception, personality, attitudes, motivation, behavioural decision- making and goal setting.

**Ans. to Check Your Progress 4**

Organisations have become global businesses serving multinational customers. The organisation, now, establishes the production facilities in different locations around the world. Therefore, employees are also recruited from different locations of the world and therefore, the workforce is a diverse group of employees. They are diverse in terms of culture, education, attitudes and so on. This poses a challenge for the manager to manage the organisation with a diverse group of people having different types of needs, attitudes, personality etc.

**BLOCK I : UNIT-II**

**INDIVIDUAL, INTERPERSONAL TEAM AND ORGANIZATIONAL PROCESS, CHANGE PROCESS. BEHAVIOUR IN TIMES OF GLOBALISATION**

**Unit Structure:**

**2.1 Introduction:**

Man is a social animal and cannot live alone. In an organisation also employees work in sync with each other. Synergistic efforts are more beneficial than individual efforts from an organisation's perspective. But when many heads work together the chances of clashes increases. All men are different. Keeping this idea in mind this chapter throws light on understanding individuals, groups and teams. Individuals get together to form a group. If there exists no group cohesion, then the organisation suffers. Thus, it is very important to know how individuals can form group and work in harmony with each other.

Team management is a very common practice visualized in modern firms. As in the modern ways of doing business the firms retain only the expertise area with them and outsource the rest. As a result of this the selected handful of employees possess the requisite skills and managing them together is a big task. So, the manager possesses greater responsibility during team management. But if the effective process of management is known then it becomes easy to handle a team and guide them to prospective goals.

**2.2 Objectives:**

This unit attempts to throw light on the process of individual, group and team management. After going through this chapter, you will be able to:

- Know about role of individuals and their role in change
- Discuss the Importance of teamwork and team building in an organisation
- Analyze the process of organizational change
- Discuss the Impact on behavior of employees due to globalisation

**2.3 Individuals**

Organisations are made up of individual members. An individual's behaviour is the core area of study in organisational behaviour. The needs and demands of individuals in an organisation are in compatible which may pose as a threat to organisational harmony resulting in conflict. Thus, it is the task of management to integrate the individual and the organisation goal and provide a harmonious working environment.

**2.3.1 Individual differences and change**

When organisations decide to initiate change, the resilience of employees become prominent. The organisations thus, need to very carefully analyse individual needs and differences to get employee support. Even though change appears to be a very simple process but in practical terms it demands a lot of peripheral adjustments to accommodate itself. The process of change requires support of top management along with all the employees irrespective of levels, departments and skills possessed. The implicit process of change require change in mindset, attitude and perception as this will help to embrace change systematically. The role of an effective and efficient management is vital here. Managers can help to understand the process to the employees better. Change can be accepted whole heartedly by the individuals only when they are clearly communicated the need of it. The merits that it will usher to both the individuals and organisation. This approach will help in better acceptance of change by the employees.

**2.3.2 How do individuals differ**

Individuals differ in various aspects from each other. In an organisation management of individuals is the prime responsibility of the manager. With the increase in workforce

diversity and globalisation management of individuals has become the prime area of focus for the organisation. The process of growing up of an individual influences their nature and characteristic. This also becomes clearly visible in organisational behaviour being exhibited by individuals. Most social scientists are of the view that both inherited and environmental factors are important parameters in an individual's growth and development process. Individuals may vary on the following parameters:

- ethnic origin
- physique
- gender
- early family experiences
- social and cultural factors
- national culture
- motivation
- attitudes
- personality traits and types
- intelligence and abilities
- perception.

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**STOP TO CONSIDER**

Some of these characteristics are shared with others, for example individuals who are from the same ethnic group or who have the same ability levels or who share similar physical attributes such as short-sightedness. But our uniqueness stems from the dynamic ways in which these inherited and environmental factors combine and interact. The ways in which it is possible to differentiate between individuals include an understanding of personality, the heart of individual differences and the importance and functions of attitudes.

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**Check your progress:**

1. On what parameters individuals differ in an organisation?
2. "Role of an effective and efficient management is vital in change process." Explain.

## 2.4 Team

Team and teamwork are synonymously used in organisations these days. Sceptics may think teamwork as another fad or a quick-fix gimmick. But an interim closer look reveals a more philosophical and enduring trend. Following the economic liberalization of 1991, foreign companies were permitted to enter India for business purpose and invest as foreign Direct Investment (FDI). This demanded more skilled workers, greater exposure to updated technologies and more global work outlook. And most importantly inducement of professionalism in work. This scenario called for better understanding of the concept of team and teamwork. Examples may be cited of many successful firms from various sector who succeeded just because of strong team ethics and presence of a perfect leader. Starting from Tata Group, Reliance group, Hindustan Unilever, Britannia all exhibit perfect example of teamwork. Organisations of such big stature only survived competition due to the existence perfect teamwork. Lastly, teamwork was a solution to respond to the increased diversity in the marketplace as well.

According to management expert Peter Drucker, tomorrow's organisations will be flatter, information-based and organised around teams. This opinion was bolstered by a survey of human resource executives in which 44 per cent called for more teamwork when asked what change employees need to make to achieve current business goals. This means virtually all employees will need to polish their team skills. According to some managers, even scientists and information technology specialists, who are traditionally regarded as individualists and rely mainly on technical skills to fulfil their jobs, will have to take on a broader role in the future.

Before moving on, it is necessary to make the distinction between the terms 'group' and 'team'. In some contexts, the two words are used interchangeably, but in an organisational behavioural setting there is a difference. Guzzo, states that all teams are groups but not all groups are teams, as the word 'group' is used very extensively in general social sciences to even indicate social aggregates in which there is no interdependence of members (the latter

being a crucial element to define a team): Studies of many different kinds of teams — from athletic to corporate to military -concluded that successful teams tend to take on a life of their own.

| Differences between a team and a group | | |
|---|---|---|
| Dynamic | Team | Group |
| Size | Limited | Medium or Large |
| Selection | Crucial | Immaterial |
| Leadership | Shared or rotating | Solo |
| Perception | Mutual knowledge understanding | Focus on leadership |
| Style | Role spread Co-ordination | Convergence conformism |
| Spirit | Dynamic interaction | Togetherness persecution of opponents |

*Source*: Belbin, R. M. *Beyond the Team*, Butterworth-Heinemann (2000). Copyright © 2000. Reproduced with permission from Elsevier Ltd.

### 2.4.1 Problems while implementing teamwork

Implementation of teamwork is not easy task. It requires all round contribution of all the elements of an organisation the elements include the employees the employer and the stakeholders. Stakeholders may include the supplier's banker's government and any other party interested in business. When all the elements work in sync with each other then only the results of teamwork may be accomplished for example, a company needs to complete it a manufacturing consignment on a due date, but the work cannot be completed unless the supplier supplies raw material banker provides loan government gives permission and the employees put in their effort to complete the work does the involvement of all the parties is equally important this is called teamwork. Now the Problems while implementing teamwork are listed below:

- Hidden agendas: a belief that certain members of the team are secretly building their own empires or furthering their own careers rather than working for the good of the organisation.

- Lack of understanding: misconceptions about why the team has been brought together are common when a team is first formed.

- Lack of leadership: the team leader does not have the skills required to manage the team effectively. Sometimes, it may be that no one member is recognised by all as the leader.

- Wrong mix of team members: for example, there are 'creative types' who love to generate ideas but cannot focus on detail, while there are 'doers' who would rather not contribute to discussions and prefer to be given tasks to do. A team that is unevenly balanced could either generate ideas but fail to implement them, or alternatively, discover that it does not have any ideas to implement.

- Unhealthy team environment: for example, the team is unable to cope under pressure.

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STOP TO CONSIDER

How many people should be in a team?

*The answers from different organisations as to what is the perfect number vary from between four and fifteen depending on a whole range of variables. Fifteen is about the maximum number of people any one can communicate without having to raise their voice significantly and any less than four has a restriction in the amount of creativity and variety that can be produced. It is interesting to note that these figures range between the maximum and minimum number of sports teams – perhaps less of*

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Source: Cane, S. *Kaizen Strategies for Winning Through People*, Pitman Publishing (1996), p. 131.

2.4.2 Team building process:

Team building is a process which follows sequential steps. Each step is significance of its own and holds a dominant position. None of the step can be interchanged with the other. Team building process is a continuous process where the manager must be religiously vigilant on the activities of the team members to guide them and track them if they lose track. The process of team management is as follows:

1. Problem identification: The process of team building with analysing the environment and identifying the prospective problem to solve it. It also stresses on increasing team effectiveness, cohesion and coordination through its steps. And it starts from the first step itself. Team members work on identifying the prospective problems or any other real problem which they can foresee in the near future in the upcoming working. The team manager emphasis more on a common problem which may pose as a hindrance in the teamwork.

2. Identifying differences: Individuals come from diverse background to form a team in an organisation. The differences which exist is due to the different attitude, culture, educational qualification or skills possessed by each of them. The role of a manager is utmost important here who needs to work on difference reduction amongst the employees. This can be done by organizing group training sessions, informal meets, communication and live practice sessions. The employees must be made to feel at ease with each other's company. Then only the organisations will be benefitted, and growth of the firm will be organic.

3.Feedback: The group sessions or communication and discussion sessions undertaken by the organizational head to enhance team building will lead to a feedback session as well. The members performance in the team group, the queries or arguments raised by them needs to be answered in a formal way. The feedback session is thus organized to correct the employees' attitude, perception about the behaviour exhibited by them. This will further help in enhancing team cohesion. Johari Window is a formal model provided to understand oneself as well as others. So, its use here can be an important implication in the approach.

4. Developing interactive skills: During the feedback stage individuals already have got an idea on how to tame their behaviour to suit the organizational environment. So, in the next stage, employees will be further guided on how to build constructive behaviour and decrease exhibition of negative behaviour. Constructive behavioral traits will include developing ideas about coworkers and organisation, coordinating with the team members, understanding, communicating with team members. And negative traits which must be avoided includes criticizing others, under estimating others, not obliging to company rules, creating barriers in work environment.

5. Follow up actions: Follow up stage will involve division of role, responsibilities amongst the team members, deciding the future course of work. This stage involves more of authority division to undertake practical work in workplace. Cooperation, understanding, discipline are the main pillars which may lead to attain success. The team members must be well versed

with each other position and make the work environment conducive for growth. Growth must not be only limited to personal or organizational; it must be a dual growth process of both individual and organisation. If the organisation grows, individual will grow and vice versa.
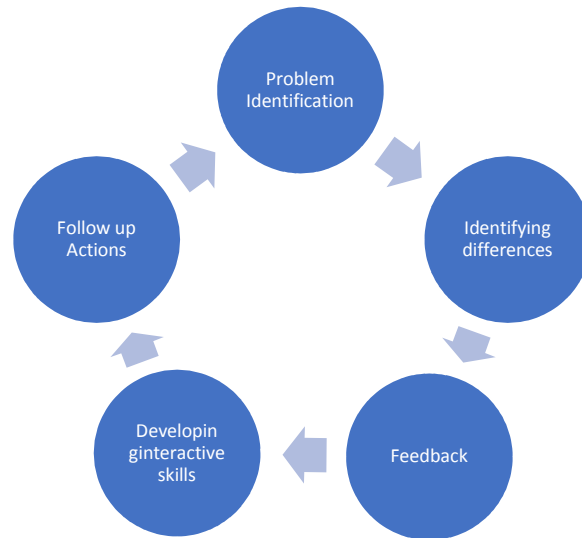


Fig: Team building process

2.4.3Types of teams

1. Lead Team-

The structure of a Lead team includes mangers, supervisors and direct subordinates. It follows the principle of "do as I do" which helps in fostering better team cohesion and coordination. The team members are given the freedom to work as they want but keeping in mind the guidelines which bind them. The team leader guides and brings the whole task in sync with the organizational needs and goals. This method is most followed in organisations as the synergistic efforts tend to grow in such work environments.

2.Virtual teams

Virtual teams consist of individuals who work across various boundaries, primarily space and time, using communication technology. Traditional team meetings have a specific location. Team members are either physically present or absent. Virtual teams, in contrast, convene through information technology with members reporting in from different locations, different organisations, and different time zones. As companies expand globally, face increasing time

compression in product development, and use more foreign-based subcontracting labour, virtual teams promise flexibility, responsiveness, lower costs, and improved resource utilisation necessary to meet ever-changing task requirements in highly turbulent and dynamic global business environments. On the negative side, lack of face-to-face interaction can weaken trust, communication and accountability. Other possible dysfunctions are low individual commitment, role overload, role ambiguity, absenteeism and social loafing.' .

## 3. Self-managed teams

The term `self-managed' does not mean simply turning workers loose to do their own thing. Indeed, an organisation embracing self-managed teams should be prepared to undergo revolutionary changes in management philosophy, structure, staffing and training practices, and reward systems. Moreover, the traditional notions of managerial authority and control are turned on their heads. Many managers strongly resist giving up the reins of power to people they view as subordinates. Self-managed teams are defined as groups of workers who are given 'administrative oversight' for their task domains. Administrative oversight involves delegating activities, such as planning, scheduling, monitoring and staffing. These are chores normally performed by managers. In short, employees in these unique work groups act as their own supervisor.' Self-managed teams are variously referred to as semi-autonomous work groups, autonomous work groups, self-directed work groups or super teams.

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### STOP TO CONSIDER

Companies, such as Asea Brown Boveri, a Swedish-Swiss firm, 3M in the USA and BP Norge in Norway, successfully introduced self-managed teams. According to these companies, self-managed teams speed up decision-making and innovation. They also stimulate people to become self-motivated and they help employees to connect with the company's vision in a very personal way. Employees can affect important issues and they can develop their own skills such as leader-ship skills.

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## 4. Problem solving team

As the name itself suggests the objective of such a team. It is created to solve a burning issue or problem faced by the company. The team need not necessarily consist of members from a particular department. Members from various discipline possessing expertise in the area of

problem are binded together in a team. The goal is to solve the problem suffered rather than in deciding who is in power, what is whose role, etc. The team is active during the problem-solving session and may be later dismantled as the problem is resolved. A befitting example of problem-solving team can be of Quality Circle team. The team is solely responsible for identifying the causes and providing solution to the issue.

## 5. Cross functional Team

Cross functional teams are formed by inviting members from various departments so that the expertise of each department can be brought together. This is mostly suitable for departments possessing work of similar nature and are mutually interdependent. These teams are also formed to solve problems but in functional areas of work. This team also gets dismantled once its objective of formation is achieved. The time frame for problem solving is normally taken as a short period of time. As medium or long duration may lead to escalation of the problem and further inclusion of other secondary problems with it.

**2.4.5 Reasons of team failure?**

Some common problems of team failure include lack of top-level support, managers or team leaders inability to guide the members, inability of the team leader to distribute responsibility, lack of cooperation of team members, sense of competition amongst individual team members, lack of motivation, lack of cooperative attitude. Team cohesion and cooperation are the main pillars of a successful team.

**2.4.4 Team building** is a catch-all term for a whole host of techniques aimed at improving the internal functioning of work teams. Whether conducted by company trainers or outside consultants, team-building workshops strive for greater co-operation, better communication and less dysfunctional conflict. Experiential learning techniques, such as interpersonal trust exercises, conflict-handling role-play sessions and interactive games, are common. For example, Germany's Opel uses Lego® blocks to teach its car workers the tight teamwork necessary for just-in-time production. Meanwhile, Hamburg Mannheimer organised a three-day rafting trip in the French Alps: 15 staff who were performing well went on an adventure survival camp, including mountain climbing and bungee-jumping. Insurance company, Axa, sends its managers to a wine chateau in Bordeaux for management training, including team-building activities in the form of role play and simulations of business situations.

According to Richard Beckhard, a respected authority on organisation development, the four purposes of team building are:

- To set goals and/or priorities.
- To analyse or allocate the way work is performed.
- To examine the way a group is working and its processes (such as norms, decision-making and communication).
- To examine relationships among the people doing the work.

Check Your progress:

3. Distinguish between a 'team' and a 'group'
4. Discuss why teams fail.
5. List at least three things organisations can do to build trust.
6. Define quality circles, virtual teams and self-managed teams

**Self asking Question:**
1. "Teams foster fast completion of work". Explain
2. "Cohesiveness is an important parament for a successful team".
   Elucidate the statement with example.

## 2.5 Organisational change and development, models

### 2.5.1 Organisational Change

Organisational Change is the process by which organisations transform from their present state to a desired future state to obtain or increase their strategic advantage in the constantly evolving business or economic environment. Through innovation, organisations can put to effective use of creative ideas into products, services and business processes that serve to satisfy customers or help organisations better produce them. Thus, it is important for

organisations to be able to manage change and innovations to ensure business continuity, sustain competitiveness and profitable growth.

## 2.5.2 ROLE OF INNOVATION IN ORGANISATIONAL CHANGE

Change & innovation are becoming a way of life for most people. New terms continue to emerge as new products with the anticipation that there will be newer, faster & better innovation on the market any day. Change programs are necessary today because of the shift in time & relationship that have been witnessed throughout the organisational world. Innovation is the process of creating & implementing, a new idea. Organisational change refers to any transformation in the design or functioning of an organisation. Generally, innovations require organisational change. Innovation & change are important to both new& established organisation, owing to the dynamic nature of the external environment of most organisations. A dynamic, changing environment makes innovation & change as important requirements. Successful organisation can't rest on their prior successes. If they become complacent, competitors are sure to snatch customers away. Organisational decline and even extinction may follow. When a company fails to innovate & change as needed; customers, employees and even the larger community all can suffer. Eastman Kodak, headquartered in Rochester, New York was the biggest employer in the region & the country best known name in photography. But when its main competitor, Tokyo based Fuji, reduced the price of colour film by as much as 30% Kodak's profits plummeted cut costs, Kodak announced that it would reduce its workforce by more than 10,000 people worldwide. Worried about job security, some of the 34,000 local employees cut back on their lunches at local restaurants & when they did go to lunch, they brought fewer smiles with them. George Fisher, who was CEO at the time, acknowledged the pain: the anxiety that we create when we do things like we're doing is immense, & you cannot help but generate some degree of ill will. Eventually Fisher himself became a victim of Kodak's lack of innovation & appropriate change efforts when he was asked to step down to make room for a new CEO.
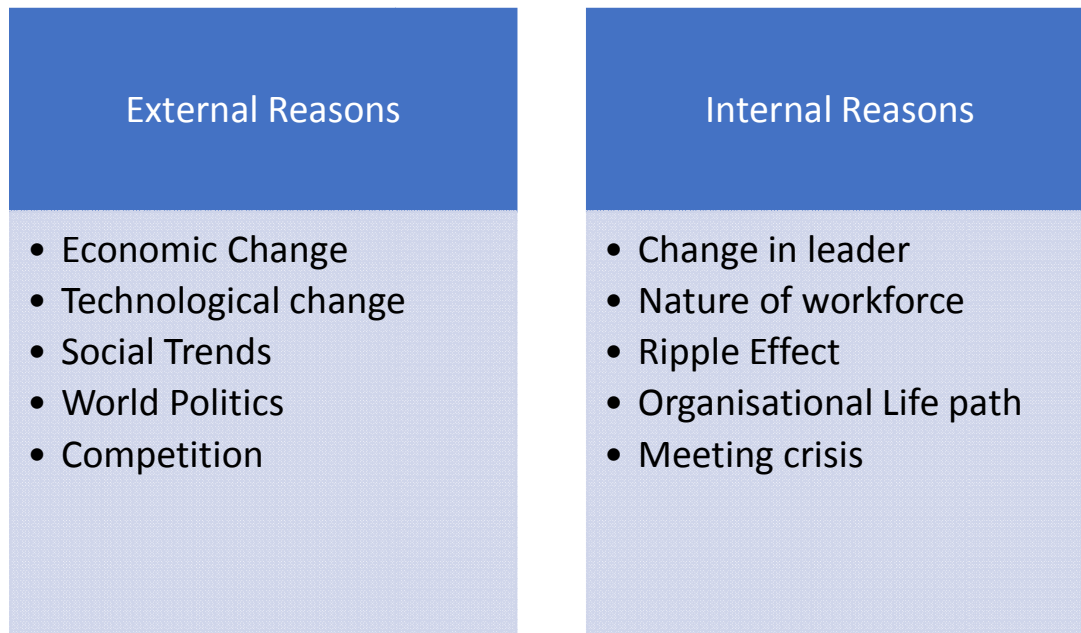
### 2.5.3 Forces of change

The forces of change may be classified into two broad categories of internal and external. The forces which may lead to active advancement in the organizational environment includes the following:

1. Economic change: The change in the economic environment also leads to frequent changes in the organizational policies and working nomenclature. The firms necessarily need to respond to the changes implemented by the law-making bodies. The policy regulators demand change so that the organisation may prosper in the macro environment also. Thus, economic change and development is a must in an organisation.

2. Technological change: Response to technological changes is another major area where firms need to focus. The rapid industralisation and upgradation of technology has led to changes in the organizational environment. The faster a firm responds to technological development easier it becomes for them to win over competition.

3. Social Trends: The societal norms, culture, rules and traditions lead to change in the functioning of an organisation as well. The pattern of work of an organisation gets influenced by the choice of the society. Responding to the trends is a smart way to survive competition. Like Mc Donald's brought change in its menu to enter the Indian food industry.

4. World Politics: The global political trend is likely to impact the organisation's functional areas. Any change in rules, regulations or policies will lead to changes in the domestic firms also. The result of UN led COP 26 Summit on Climate change held on November 2021, where our Prime Minister, Mr. Narendra Modi gave five commitments to promote sustainable use of resources. These commitments will lead to change in both industrial and policy maker's front. So, a firm must accept change and work on new guidelines to sustain itself.

5. Competition: Competition is at a rise in all fields. So, a firm must update and upgrade itself for its survival. Without embracing change a firm will have a dark future. All the big names like Microsoft, Apple, Starbucks all accepted change and made themselves fir to become the market leader. Competition in the near future will be higher than the present day as "me too" firms will emerge. Practically, the success of big firms will invite competitors to join the industry thereby increasing competition in the industry.

6. Change in leader: The role of a leader is vehemently important to include and maintain change. The process of motivation which a leader takes up varies from leader to leader. It depends upon the expertise and analytical skill of the leader about his followers. Taking up the right approach will help to bring change in the working

environment. Thereby reflecting the benefits on the achievement of organizational goals as well.

7. Nature of workforce: The nature of workforce will have a dominant impact on the change pattern of an organisation. An organisation's success or failure depends on the quality, caliber and skill possessed by the employees. If the employees are ready to accept the update methodologies and implement in their work process, then it becomes a cakewalk for the organisations to attain success. Thus, the nature of workforce is an important decider for change in an organisation.

8. Ripple Effect: Change creates a ripple effect. It meansthat change itself leads to many adjustments in its surroundings to accommodate itself. This is a very common phenomenon experienced int the practical world. Whenever a change is implemented, it will lead to change in many other nearby elements. Change does not walk alone. It takes the crowd with it. Change in the surroundings may be minor but it cannot be ignored.

9. Organisational life path:As an organisation advances in its life path, it embraces change. Change is inevitable and likely to occur. Without change development is not possible. Change and development goes hand in hand. Each stage of an organisations life path demand adjustments which needs to be responded for attaining success.

10. Meeting crisis: Business has an indefinite life. During this lifetime any unforeseen situation may occur. Like resignation of a senior manager, death of a board member, etc. The organisation needs to have a backup plan ready to deal with the sudden change. So, for any crisis the organisation must bring adjustments and updations to run smoothly.

| External Reasons | Internal Reasons |
|---|---|
| • Economic Change<br>• Technological change<br>• Social Trends<br>• World Politics<br>• Competition | • Change in leader<br>• Nature of workforce<br>• Ripple Effect<br>• Organisational Life path<br>• Meeting crisis |

### 2.5.3 Planned change

Planned change is a process which demands constant vigil on the internal as well as external environment. Then only the manager will be able to identify and analyse the requirement of change. The process of planned change requires proper understanding of the underlying factors and then implementing change. If a manager does not keep a regular track of the events and activities taking place in the micro and macro environment of the business, then planned change will not be successful. The benefits of planned change can be fully harnessed when the manager is alert and clearly foresees the future.

Planned change led to improvement in organizational ability and seeks change in employee behaviour. If an organisation, if an organisation wants to survive successfully for an indefinite period of time, then it must respond to changes. The role of innovation and upgradation are important to stimulate planned change it is so because and organisations success or failure depends upon its level of response to the Macro environment the behaviour of individuals in an organisation also contributes to the process of planned change if employee behaviour is not cooperative then and the management will not be able to implement change in the right sense and spirit

### 2.5.4 Approaches to manage organizational change: Several approaches are as follows:

1. Lewin's three step model: Kurt Lewin gave three steps to the organisations for embracing change the steps are unfreezing movement and refreezing. Unfreezing refers to the changes to

make oneself ready for the upcoming trend. Movement refers to the process through which an organisation changes itself from status quo to a desired end state. And refreezing refers to the stabilizing stage of change where the constructive step is accepted by balancing the driving and restraining forces. The three-stage step is built by Lewin after practically testing it. The driving forces include the positive response of employees, and upward rising profit curve or for the increased prospective demand. The restraining forces include the hindrances which may dampen the true spirit of change it will include factors like non-Cooperation top management, restrainment from employees to undergo training sessions etc.

2. Kotter's Eight Step Plan for implementing changes: John Kotter of Harvard Business School upgraded the Lewin's three step model and gave aneight-step plan for implementing change. He started his research on change by listing the common points on which the managers failed to implement change and then built a step process for change. The common point of failure identified by Kotter are failure to sync employee and management vision on change, effectively communicate the impact of change, efficiently vocalize the short term and long-term benefits change to the Employees. The steps are well accepted and utilized by the Corporates to implement change process in their organisation.



Source: Based on J.P. Kotter, Leading Change (Boston: Harvard Business School Press, 1996)

3. Action Research: Action research is a process which is based on systematic Collection of data and accordingly selecting a change process to be implemented in in the organisations. This change which is selected is based on the data collected and analysed. The change agent in action research is often an outside consultant is the work of identifying and analyses is

outsourced by the firm. The importance of this method is immense as this approach takes up scientific methodology for managing change. Here information is gathered about the underlying problem which is followed by diagnosis and finally analyses of the problem. The final stage gives feedback how to embrace the change this feedback carries and effective solution which is to be implemented by the organisation.

Action research gives the benefit of focus identification of problem and lesser resistance by employees. The involvement of employees is immense in this process thus they wholeheartedly accept the outcome of the research.

**2.5.5 Resistance to change:**

Resistance to change process is a common phenomenon being witnessed worldwide. It is irrespective of size and sector of organisation is visible everywhere resistance to change need not be e negative always it may also be positive in a few cases for example resistance to reorganization of existing product line may lead to a healthy debate amongst employees and an amicable solution may be sought by the firm. resistance to change need not follow any standardized ways. It may be implicit as well as immediate it's only depends upon the management how they control their employees and propose change the major sources of resistance to change are listed below:

Individual Sources

- *Habit*—To cope with life's complexities, we rely on habits or programmed responses. But when confronted with change, this tendency to respond in our accustomed ways becomes a source of resistance.
- *Security*—People with a high need for security are likely to resist change because it threatens their feelings of safety.
- *Economic factors*—Changes in job tasks or established work routines can arouse economic fears if people are concerned that they won't be able to perform the new tasks or routines to their previous standards, especially when pay is closely tied to productivity.
- *Fear of the unknown*—Change substitutes ambiguity and uncertainty for the unknown.
- *Selective information processing*—Individuals are guilty of selectively processing information in order to keep their perceptions intact. They hear what they want to hear, and they ignore information that challenges the world they've created.

Organizational Sources

- *Structural inertia*—Organizations have built-in mechanisms—such as their selection processes and formalized regulations—to produce stability. When an organization is confronted with change, this structural inertia acts as a counterbalance to sustain stability.

- *Limited focus of change*—Organizations consist of a number of interdependent subsystems. One can't be changed without affecting the others. So limited changes in subsystems tend to be nullified by the larger system.

- *Group inertia*—Even if individuals want to change their behavior, group norms may act as a constraint.

- *Threat to expertise*—Changes in organizational patterns may threaten the expertise of specialized groups.

- *Threat to established power relationships*—Any redistribution of decision-making authority can threaten long-established power relationships within the organization.
  (Source: Stephen P. Robbins, T A Judge and S. Sanghi, (2009), Organisational Behaviour, Pearson Publication,13th edition, pp. 685)

### 2.5.6 Overcoming resistance to change

**Communication:** Communication is an important tool ever in times of change. A study of German companies revealed changes are most effective when a company communicates a rationale that balances the interests of various stakeholders (shareholders, employees, community, customers) rather than those of shareholders only. Other research on a changing organizationin the Philippines found that formal information sessions decreased employees' anxiety about the change, while providing high-quality information about the change increased their commitment to it.

**Participation:**It is difficult to resist a change decision in which employees participate. Assuming participants have the expertise to make a meaningful contribution, their involvement can reduce resistance, obtain commitment, and increase the quality of change decision also. However, against these advantages are the negatives: the potential for a poor solution and a great consumption of time.

**Building Support and Commitment:** When managers or employees have low emotional commitment to change, they resist it and favour the status quo. And employees are more accepting of changes when they are committed to the organization as a whole. So, firing up employees and emphasizing their commitment to the organization overall can help them emotionally commit to the change rather than embrace the status quo. When employees' fear and anxiety are high, counselling and therapy, new-skills training, or a short-paid leave of absence may facilitate adjustment to change.

**Develop positive relationships:** People are more willing to accept changes if they trust the managers implementing them. One study surveyed 235 employees from a large housing corporation in the Netherlands that was experiencing a merger. Those who had a more positive relationship with their supervisor, and who felt that the work environment supported development, were much more positive about the change process. Underscoring the importance of social context, other work shows that even individuals who are generally resistant to change will be more willing to accept new and different ideas when they feel supported by their co-workers and believe the environment is safe for taking risks. Another set of studies found that individuals who were dispositionally resistant to change felt more positive about it if they trusted the change agent.

**Implementing changes fairly:** One-way organizations can minimize negative impact is to make sure change is implemented fairly. Procedural fairness is especially important when employees perceive an outcome as negative. So, it is crucial that employees see the reason for the change and perceive its implementation as consistent and fair.

**Manipulation and Co-optation** Manipulation refers to covert influence attempts. Twisting facts to make them more attractive, withholding information, and creating false rumours to get employees to accept change are all examples of manipulation. If management threatens to close a manufacturing plant whose employees are resisting an across-the-board pay cut, and if the threat is unfounded, management is sing manipulation. *Co-optation,* on the other hand, combines manipulation and participation. It seeks to buy off the leaders of aresistance group by giving them a key role, seeking their advice not to find a better solution but to get their endorsement. Both manipulation and co-optation are relatively inexpensive ways to gain the support of adversaries, but they canback fire if the targets become aware they are being tricked or used. Once that's discovered, the change agent's credibility may drop to zero.

**2.6 Behaviour in times of globalization**:

Globalisation has been subjected to much criticism, in part at least due to lack of clarity as to its exact meaning and to the confusion about organisations that are very large-scale (such as Walmart in the USA) but have only a small proportion of their operations on a global basis. Globalisation has also become the subject of demonstrations and has been blamed for escalating inequalities in the developing world and endangering regional cultures. There appears to be a return to strong nationalistic tendencies in countries such as America and France. *Rugman* refers to the illusion of the global company and maintains that there is no trend towards globalisation but strong evidence of a hardening of triad blocs and regionalgroups of the EU, USA and Japan. *Saul,* dates the rise of globalisation from 1971 butcontends that its heyday was in the mid 1990s and it is now in retreat. *Child,* points out that globalisation is a complex phenomenon and the term is used in somany different ways it is in danger of losing any useful purpose. Globalisation is a trend rather than a condition that necessarily already exists, it is not spreading evenly across the world and many unsubstantiated and sweeping claims have been made. 'The trend towards globalisation is a strong one, but it remains to be seen how far and how fast it will spread. It has powerful opponents.' *Schneider and Barsoux,* suggest that when firms have a sense of capability and previous international experience, internationalisation is more likely to be seen as a learning opportunity rather than as a threat.55 According to *McLean*, globalisation has ultimately and importantly altered the terms of reference and resulted in a paradigm shift for the way organisations are managed. It has altered the way we work, via, for example, sophisticated systems and procedures aimed at streamlining and 'internationalising' business activities and practices. It has brought companies closer together through opening up new markets and through technological innovations, such as e-business and e-commerce via the World Wide Web. It has increased competition, the speed of innovation, the ubiquity of change and environmental complexity and uncertainty. McLean maintains that globalisation is here to stay – it won't go away and if anything willget worse. 'We must face the realism that the world, and indeed organisations and the waythey are managed, will never be the same. We must encompass these changes and harness the opportunities they present.' However, although national action may be informed by global thinking, an under lying guideline for multinational organisations is to 'think globally; act locally'. Consider the area of strategic human resource management (HRM). To what extent do differences in, for example, legislation, social security provisions, the philosophy of employment relations, arrangements

for collective bargaining, management practices, regulation of the employment contract, the informal organisation, as well as communications over long distances and different time zones, demand attention to HRM at primarily a national level? One major challenge facing managers in the early 21st century arises from what many commentators have identified as an increasingly international or global business environment.

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**STOP TO CONSIDER**

The following factors are frequently cited as potential explanatory factors underlying globalisation trend:

■ improvements in international communication facilities leading to an increased consciousness of differences in workplace attitudes and behaviour in other societies.

■ international competitive pressure – for example, the emergence of newly industrialized and/or free-market nations (the Far East region and former communistbloc countries are often viewed as examples of this phenomenon);

■ the spread of production methods and other business processes *across* nations and regions.

■ international business activity, for example: overseas franchising or licensing agreements; outsourcing of business units to other countries (call centers provide a topical example); direct foreign investment and the activities of multinational corporations which, by definition, operate outside national boundaries.

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**2.7 Summing Up**

1. Individuals will form into groups or teams, both formal and informal, for a number of reasons relating to both work performance and social processes. The manager's main concern is that members co-operate together. Factors that affect group cohesiveness can be considered under the broad headings of membership, work environment, organisational factors, and group development and maturity. An important and significant feature of group membership is social identity theory.

2. Groups are formed as a consequence of the pattern of organisation structure and arrangements for the division of work. There are two main types of group sat work, formal and informal. Formal groups are deliberately planned and created by management as part of

the organisation structure and to achieve specific organisational objectives. Informal groups are based on personal relationships and develop irrespective of the formal structure. Informal groups serve tosatisfy members' psychological and social needs.

3. Organisational Change is the process by which organisations transform from their present state to a desired future state to obtain or increase their strategic advantage in the constantly evolving business or economic environment. Through innovation, organisations can put to effective use of creative ideas into products, services and business processes that serve to satisfy customers or help organisations better produce them. Thus, it is important for organisations to be able to manage change and innovations to ensure business continuity, sustain competitiveness and profitable growth.

4. Organizational development (OD) is a collection of change methods that try to improve organizational effectiveness and employee well-being.30 OD methods value human and organizational growth, collaborative and participative processes, and a spirit of inquiry.31 Contemporary OD borrows heavily from postmodern philosophy in placing heavy emphasis on the subjective ways people see and make sense of their work environment. The change agent may take the lead in OD, but there is a strong emphasis on collaboration.

5. Globalisation has been subjected to much criticism, in part at least due to lack of clarity as to its exact meaning and to the confusion about organisations that are very large-scale (such as Walmart in the USA) but have only a small proportion of their operations on a global basis. Globalisation has also become the subject of demonstrations and has been blamed for escalating inequalities in the developing world and endangering regional cultures.

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## 2.9 Model Questions

1. 'People value their individuality and enjoy the right of self-expression. Membership of a group means giving up some of that personal identity. The real skill of management is therefore to make full use of people's individuality for the mutual benefit of the group as a whole.' If you were a manager how would you attempt to achieve this balance?

2. 'The most important factor influencing group cohesiveness and performance is the style of leadership. Leaders are the role models who set the culture and values for the organisation and the group. It is therefore the leaders who make a group become a team.' What are your views? How do you think a group becomes a team?

3. 'With the continual increase in globalisation and advances in new technology and communications the days of people spending most of their time working alongside thesame colleagues are gone. Global virtual teams are the way forward.' How far do you agree? What difficulties and problems do you foresee?

4. 'Teamworking is no more than a fashionable term used by management to give workersan exaggerated feeling of importance and empowerment. In reality an emphasis onteamworking is only likely to lead to more work, less freedom and even closer controlfrom other team members.'How far do you agree with this comment? What is your personal experience ofteamworking?

5. Detail fully what you believe are the essential characteristics of a successful work group or team.As a manager, explain how you would attempt to develop effective group/team relationships andperformance.

6. 'Effective teamwork is easy and we should ignore all the unnecsssary hype.It is simply a matter of ensuring the right mix of skills and that all themembers of the group co-operate with each other.'To what extent can you agree with this statement? What has been yourexperiences of working in a team?

7. Recall your experience of a work group or team with which you are familiar and comment critically on:

1 the extent to which members were clear about the goals of the group, what they were expected to achieve,

and how their performance would be evaluated;

2 the diversity of group membership, and significances of diversity for the operations and success of the group;

and

3 what exactly made the group effective or made it fall apart?

## 2.10   Answer to check your progress

1. Similarities and Differences: Educational background, ethics, cultural background, national culture, motivation, attitudes, personality traits and types, intelligence and abilities

2. Yes, its vital as without top management support change cannot be implemented fruitfully.

3. Definitions of teams generally suggest a number of conditions which must be fulfilled before a group becomes a team: members of the group have shared goals in relation to their work; they interact with each other to achieve those shared goals; all team members have well-defined and interdependent roles; and they have an organisational identity as a team, with a defined organisational function.

4. Teams fail because unrealistic expectations cause frustration and failure. Common management mistakes include weak strategies, creating a hostile environment for teams, faddish use of teams, not learning from team experience, vague team assignments, poor team staffing, inadequate training and a lack of trust. Team members typically fail if they try too much too soon, experience conflict over

differing work styles and personalities, ignore important group dynamics, resist change, exhibit poor interpersonal skills and chemistry, and display a lack of trust.

5. Six recommended ways to build trust are through communication, support, respect (especially delegation), fairness, predictability and competence.

6. Quality circles are small teams of volunteers who meet regularly to solve quality-related problems in their work area. Virtual teams are physically dispersed work teams that conduct their business via modern information technologies, such as the Internet, email and video-conferences. Self-managed teams are work teams that perform their own administrative chores, such as planning, scheduling and staffing.

7. Communication, Participation, Building Support and Commitment, Develop positive relationships

8. Improve organisational performance, Improve employee behaviour, Understand one self and others, make organisation adaptive.

**Emerging issues and challenges in OB: Managing workforce diversity, Downsizing and Technology: Corporate Social Responsibility- ethics and ethical behavior in organisation**

**Unit Structure:**

3.1 Introduction

3.2 Objectives

3.3 Emerging issues and challenges in OB

> ***3.3.1 Managing workforce diversity***
>
> ***3.3.2:Downsizing***
>
> ***3.3.3: Technology***
>
> ***3.3.4.Changing demographics of workforce***
>
> ***3.3.5:Globalisation***
>
> ***3.3.6:Quality parameter***
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> ***3.3.7:Economic Pressures***
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> ***3.3.8:Social media***
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> ***3.3.9:Networked organizations***
>
> ***3.3.10:Employee Well-Being at Work***
>
> ***3.3.11:Ethical Behaviour***

3.4 Corporate Social Responsibility

3.5 ethics and ethical behavior in organisation

3.6 Summing up

3.7 References and suggested readings

3.8 Model Questions

3.9 Answers to check your progress

**3.1 Introduction**

Organisational behaviour is the study of people at workplace. We need to study organisations because we interact with the organisations in various capacities. We may play the role of a student, employee, manager, customer, policy maker or a regulator on an organisational stage. We try to influence organisation by playing any of the roles and the organisation also

influences us in its own way. Thus, we need to make ourselves aware about the emerging issues and challenges that modern day organisation may face.

## 3.2 Objectives

This unit attempts to throw light on the process of individual, group and team management. After going through this chapter, you will be able to:

- know about Emerging issues in OB

- know about Emerging challenges in OB

- Analyze the process of Corporate Social Responsibility

- Discuss the Importance of ethics and ethical behavior in organisation

### *3.3 Emerging issues and challenges in OB*

The modern-day manager confronts problems on a daily basis. These problems arise due to several reasons which holds true in the 21st century. The reasons are our workforce diversity, changing demographics of workforce, changing employee expectations, globalisation, and trend of multinational companies, increase in foreign direct investment, increase in domestic level of education and many more. The changes taking place in the external and internal environment of business also demands change in employee's behaviour. Employees have become more adjusting and adaptive in the face of unforeseen challenges experienced by them on a daily basis. The managers have become for the more understanding and cooperative. As they have understood that it employees and the organisation can be controlled only with good temperament and measured behaviour. With the increase in competition in the market employees tend to shift from one organisation to another thereby decreasing their loyalty towards one organisation. So, to cope up with such challenges manager has to be e very flexible in approach and embrace change with open heart. Some of the challenges faced by the managers/ organisation are listed below:


*3.3.1 Managing workforce diversity*: Workforce diversity it can be referred to as a situation which exists in an organisation when the individuals present differ from each other in age gender race culture education and ethnicity. When an individual joins an organisation the manager needs to analyse the employees background cultural values and Lifestyle pattern so as to make the employees stay in the organisation more comfortable. This becomes a challenge for the organisation to accommodate a new member in the workplace which will

provide is off work to the new joinee. If this diversity of workforce is not managed properly it may result in higher attrition rate, loss of man hours, increased interpersonal conflict, improper flow of communication and many such barriers which will restrict organisational growth and development.

*3.3.2:Downsizing* :Downsizing refers to the process of trimming the organisational structure. The reasons of trimming may be closure of loss making units, stoppage of loss making products, discontinuing outdated products, closure due to non compliance with laws and many more. It becomes a challenge for the organisation to replace the employees who were once the part of the organisation. All the employees do not possess requisite skills to be placed in the already existing departments. Few employees may be asked to detach themselves from the organisation. In such a scenario the manager must act amicably between both the parties (the organisation and the employee). So that the organisations reputation is not at stake and the employees carry good memories from the organisation which once provided them with bread and butter.

Downsizing is a common feature in today's ever changing business scenario. Globalisation, increase in cross border trade, establishment of ancilliary industries, new schemes of government has led to emergence of new challenges in the face of competition.

*3.3.3:Technology*: Technology is a ever-changing system which demands continuous upgradation. If companies need to stay in competition they need to upgrade themselves. It holds especially true to for the technological product and items. The gradual upgradation, invention and innovation seeks to motivate the managers to accept it as a challenge. In an organisation the behaviour of employees tend to change if they are exposed to a continuous changing environment. Thus, technology poses as a challenge for the manager. The habit of employees to resist change act as a major barrier for the manager. The process of making employees accept technology as a tool of self development is a challenge for the organisation as well.

*3.3.4.Changing demographics of workforce*: Changing demographics of workforce seem to be a new phenomena since the last decade. With the rise in female workforce in an organisation, inclusion of younger workforce, increase in female industrial worker, increasing number of aged workforce the organisation has started facing a new challenge. Employee expectation and aspiration has also undergone severe changes and demand of non-financial incentives is on a rise. Employees give more weightage to the quality of work life (QWL)

being enjoyed by them then the financial remuneration being provided to them. In such a scenario the managers role and responsibility is very crucial as it becomes a challenge for them to maintain qualitative workforce. A manager needs to involve self to innovate techniques of motivation and implement better job design.

*3.3.5:Globalisation*: As the world has become a global village this has made managing men more difficult. The increasing number of multinational companies, relocation of employees, formation of aspirations and attitude, poses as a challenge for the manager. The manager has to manage employees of diverse background, culture, ethnicity by maintaining the sanctity of the organisational boundary. Even in home country office employees may have to work with individuals coming from different country or possessing different skills which require adjustment and cooperation. These characteristics are not common to be noticed in organisations which are exposed to such a situation afresh. In common parlance training and induction sessions are being provided so that behavioral adaptations become possible for individuals working in formal organisational setup.

*3.3.6:Quality parameter*:Another pertinent challenge being faced by the managers today is offering qualitative products and services to customers. The definition of quality has become synonymous to perfection. Inability to provide quality service to employees may directly degrade an organisation's reputation in the market. The delivery of quality service is far more important in the service sector. As employees behaviour is the prime judging factor of quality of service delivered. Thus, managers need to continuously work on developing strategies to train manpower and improve organisations reputation.

*3.3.7:Economic Pressures*: In the year 2008 the U.S. economy fell into a prolonged recession in pulling all other large economies globally follow the same trend. Layoffs andjob losses were widespread, and those who survived the situation were bound to accept pay cuts. When times are bad, as they were during the recession, managersare on the front lines with employees who are asked to make do with less,who worry about their futures, and who sometimes must be fired. The differencebetween good and bad management can be the difference between profitand loss or, ultimately, between business survival and failure.Managing employees well when times are tough is just as hard as when timesare good, if not harder. In good times, understanding how to reward, satisfy,and retain employees is at a premium. In bad times, issues like stress, decisionmaking, and coping come to the forefront.

*3.3.8:Social media*:Social media in the business world is here to stay. Despite its pervasiveness, many organizations continue to struggle with employees'use of social media in the workplace. In February 2015, a Texas pizzeriafired an employee before she showed up for her first day of work after she tweetedunflattering comments about her future job. In December 2014, Nordstromfired an Oregon employee who had posted a personal Facebook comment seeming to advocateviolence against white police officers. These examplesshow that social media is a difficult issue for today's manager, presenting both achallenge and an opportunity for OB.

For instance, how much should HR lookinto a candidate's social media presence? Should a hiring manager read the candidate's Twitter feeds, or just do a quick perusal of her Facebook profile?Once employees are on the job, many organizations have policies aboutaccessing social media at work—when, where, and for what purposes. But what about the impact of social media on employee well-being? One recent study found that subjects who woke up in a positive mood and then accessedFacebook frequently found their mood decreased during the day. Moreover,subjects who checked Facebook frequently over a two-week period reporteda decreased level of satisfaction with their lives.48 Managers—and OB—aretrying to increase employee satisfaction, and therefore improve and enhancepositive organizational outcomes.

*3.3.9:Networked organizations*: Networked organizations allow people to communicate and work togethereven though they may be thousands of miles apart. Independent contractorsan telecommute via computer and change employers as the demand for their services changes. Software programmers, graphic designers, systems analysts,technical writers, photo researchers, book and media editors, and medical transcribersare just a few examples of people who can work from home or othernon-office locations. The manager's job is different in a networked organization. Motivatingand leading people and making collaborative decisions online requiredifferent techniques than when individuals are physically present in a single location. As more employees do their jobs by linking to others through networks,managers must develop new skills. OB can provide valuable insights tohelp hone those skills.

*3.3.10:Employee Well-Being at Work*: One of the biggest challenges to maintaining employee well-being is thenew reality that many workers never get away from the virtual workplace.And while communication technology allows many technical and professionalemployees to do their work at home, in their cars, or on the beach inMandarmani, it also means many feel like they're not part of a team. "The sense of belonging is very

challenging for virtual workers, who seem to be all alone out in cyberland," said Ellen Raineri of Kaplan University. Another challenge is that organizations are asking employees to put in longer hours. According to one study, one in four employees shows signs of burnout, and two in three report high stress levels and fatigue.50 This may actually be an underestimate because workers report maintaining "always on" access for their managers through e-mail and texting. Finally, employee well-being is challenged by heavy outside commitments.

*3.3.11:Ethical Behaviour*: In an organizational world characterized by cutbacks, expectations ofincreasingproductivity, and tough competition, it's not surprising many employeesfeel pressured to cut corners, break rules, and engage in other questionablepractices. Determining the ethically correct way to behave is especially difficult for both managers and employees in a global economy because different cultures have different perspectives on certain ethical issues. The definition of fair treatment of employees in an economic downturn varies considerably across cultures, Today's manager must create an ethically healthy climate for employees in which they can do their work productively with minimal ambiguity about right and wrong behaviours. Companies that promote a strong ethical mission, encourage employees to behave with integrity, and provide strong leadership can influence employee decisions to behave ethically.

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Check your progress:

1. "The emergence of DINK is a challenge for OB." Comment.
2. Technology is a major hurdle for an organisation in management of employee behaviour. Comment

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## 3.4 Corporate Social Responsibility

CSR has also been described as 'a fundamentally subversive doctrine' by
Nobel Prize-winning economist, Milton Friedman, the most prominentmodern standard-bearer for Adam Smith. It is through profitmaking,they argue, that business provides core social contributions ofemployment and taxation, and expeditiously meets customer demands forgoods andservices. Although one of the reasons for the emergence of CSR concerns the

distinctive power of the corporate organizational form, the CSR ethos and its practices have been embraced by all sorts of businesses. Thus, not only national corporations and multinational corporations (MNCs), but also awider range of businesses (e.g. small and medium-sized enterprises (SMEs), state-owned enterprises (SOEs)) also claim to practise CSR.Notwithstanding, the company being the critical CSR organization, a keyfeature of contemporary CSR is that it is taken seriously, engaged in, and

promoted by a much wider set of organizations including labour, finance,governmental, civil society, and professional organizations. CSR dynamics reflect changing ethical mores of business leaders and corporate cultures; new issues for which society holds business responsible; new opportunities which businesses identify to attract customers, investors, or employees; and changing assumptions about management among consultants and business schools. The dynamics vary as a result of the particular stress put on points of overlap of CSR with, for example, ethics, governance, citizenship, and sustainability. They also vary by context, particularly the expectations of business responsibility embedded in national business systems. Since the 1990s, CSR has given greater emphasis to the social impacts of business operations themselves, including not only practices in companies' own operations, such as health and safety, diversity and equal opportunities policies, and consumption of scarce resources, but also those occurring in international supply chains, for example labour conditions in developing countries' agriculture, textile, and footwear industries. Such an emphasis also includes the way products and services are used and disposed of, and may generate policies on packaging and recycling, responsible consumption of alcohol, and children's food and drink products.

For most of the 20th century CSR was usually 'corporate-centred' in the sense that the corporations were the key actors: it was the corporations alone whose responsibility was described in CSR; moreover, the corporations decided what their responsibilities consisted of, even if with reference to very general, usually implicit, social expectations. Finally, they tended to enact these responsibilities themselves, whether by simply making philanthropic financial contributions to worthy causes or by providing social infrastructure for their workers and their families. In contrast, today CSR has become more 'corporate-oriented' reflecting threemain developments. First, the agendas of CSR have extended beyond the activities of corporations themselves to include their supply chains— famously in textiles, timber, and fish—and their downstream effects. The most conspicuous examples of downstream responsibility include the re-use or disposal of products and packaging by customers, and the direct effects of product usage on customers, currently alcohol, sugar, and

fatty foods.Secondly, corporations now respond to external assessments of what their responsibilities should include. This could be broadly through eligibility criteria for joining a CSR organization or being listed or ranked as compliant with a CSR standard. More narrowly, this could be through company specific stakeholder input or reaction to external critique. Thirdly, CSR is more corporate-oriented than corporate- centred because other actors are involved in governing and managing CSR policies and resources. This is usually through partnerships that CSR entails with other businesses, NGOs, and governments. This could be to regulate and maketransparent corporate supply chains through ethical and fair-trade initiatives; to combat disease and poverty in partnership with development in selected areas.

### 3.4.1 Carroll's CSR pyramid

One of the most famous CSR frameworks is the 'CSR pyramid' devised by Archie Carroll, a professor of management. This distinguishes four types of responsibility and frames them in a hierarchy. These are: Economic, the foundation of the pyramid (i.e. to be profitable, which is required by society); Legal (i.e. playing by the rules, which is required by society); Ethical (i.e. to do the right thing, which is expected by society); and Discretionary, the peak of the pyramid (which Carroll originally called

'Philanthropic' i.e. be a good corporate citizen, which is expected and

desired by society).

Carroll supplements his CSR pyramid in two ways. First, he distinguishes

the types of social issues to which companies might need to respond:

'shareholder; occupational safety; product safety; discrimination;

environment; and consumerism'. Thus Carroll underscores the significance of the identification and management of non-market agendas for businesses, and he anticipates stakeholder management (below). Second, Carroll distinguishes different business responses to such issues: 'proaction; accommodation; defence; and reaction'. Here he anticipates the development of strategic approaches to CSR issues.

### 3.4.2 The stakeholder approach

Another major impact on business thinking about CSR has been 'stakeholder management', mobilized and popularized by R. Edward Freeman, a professor of business ethics and consultant to companies. Stakeholders are those upon whom the firm depends for its success and who are affected by its fortunes. Companies employing this model prioritize stakeholders according to the nature of the company and its business. Thus, primary stakeholders tend to

be regarded as investors, employees, suppliers and customers, and, depending on the business, government and communities. Secondary stakeholders might include the media and civil society organizations. Although Freeman stresses that stakeholder management is not intrinsically about CSR, his model has been adopted by countless firms as a way of thinking about their responsibilities. Starbucks, for example, sums up its approach to global responsibility: 'Above all, Starbucks believes in engaging, collaborating and openly communicating with our stakeholders.

Some problems may arise in applying the stakeholder model to CSR. First,

the status of 'the natural environment', a core element in CSR thinking, is

tricky. It is unclear who speaks for the environment and accordingly how its interests and values (assuming these notions are even applicable to the

environment) are served by companies using a stakeholder model. It could

also be contended that in reality companies have a stake in theenvironment rather than vice versa. A second, and related, concern with the stakeholder model as a basis for CSR is that broad societal impacts of companies get underestimated in an actor-centred model like stakeholder management.

The strengths of the stakeholder approach for CSR are that it identifies *to whom* companies are responsible and stresses that responsible business is about finding solutions which reflect the interests and values of specific actors, or 'people' as Freeman would say. Moreover, the stakeholder model challenges the 'separation thesis' entailed in the assumption of a choice facing companies and managers of 'business success versus ethics'. It thereby offers a basis for thinking in terms of the 'business case for CSR': if a company is responsible to its stakeholders it will be rewarded in business terms.

### 3.4.3 The triple bottom line

Another approach to CSR adopted by companies is the 'triple bottom line' of the three Ps: 'profit, people, and planet' developed by John Elkington of the UK consultancy, Sustainability. The assumption is that companies should not only attend to the bottom line of the financial accounts, but they should also take account of their social and environmental impacts. This approach also assumes that there are critical interactions among these three Ps which companies need to understand to be sustainable. There are obvious problems of commensurability in integrating business,social, and environmental performance measures and in estimating theirinteractions. However, this approach has been welcome for the power andsimplicity of its message, and has been used in CSR reporting, management accounting,

and, more broadly, by companies which are extending their CSR to connect with broader sustainability agendas.


### 3.4.4 CSR in Asia

Whereas only 45 per cent of a sample of Asia's companies reported CSR in 2002–3, 70 per cent did so in 2005–6, and 96 per cent in 2009–10. This
growth has been reflected in increased Asian membership of international
associations for CSR, increased use of international CSR standards and the
development of Asian organizations for CSR. The greatest, most counterintuitive and, perhaps, most significant development has been CSR in China. Whereas CSR was barely mentioned in the context of Chinese business at the turn of the century, China is now ranked 6th for national company members of the UNGC and has seen a rapid growth in CSR reporting over the last decade. There are also great variations in CSR in Asia. Japan has had a relatively long-standing implicit commitment to CSR, through corporations' 'lifetime employment' policies, integration of CSR with national government policy, and close and long-standing supply chains among domestic SMEs. However, this image of solidarity has been unsettled in the wake of the Asian economic crisis, prominent corporate scandals, and the greater internationalization of Japanese business. These trends encouraged greater attention to explicit CSR. Singapore, a relative latecomer, has emerged as an Asian CSR leader, following a government initiative around the turn of the century. Some countries seen as relative CSR laggards nevertheless have niches of excellence:Bangladesh, for example, is the home of the Grameen Bank's model of micro-finance for the poor; Pakistan is recognized as a place for responsible sports-wear and equipment sourcing, first enshrined in the Atlanta Agreement between the ILO, UNICEF, and the Sialkot Chambers of Commerce in 1997.


### 3.4.5 Stakeholders of business:

The social responsibilities are often viewed in terms of organisational stakeholders– that is, those individuals or groups who have an interest in and/or are affectedby the goals,operations or activities of the organisation or the behaviour of its members.Managers, for example, are likely to have a particular interest in, and concern for, the sizeand growth of the organisation and its profitability, job security, status, power and prestige.Stakeholders, meanwhile, include a wide variety of interests and may be considered, forexample, under six main headings of:
■ employees;
■ providers of finance;

- customers;

- community and environment;

- government; and

- other organisations or groups.

Employees, people and organisations need each other. Responsibilities to employees extend beyond termsand conditions of the formal contract of employment and give recognition to the worker asa human being. People today have wider expectations of the quality of working life, includingjustice in treatment, democratic functioning of the organisation and opportunities forconsultation and participation, training in new skills and technologies, effective HRM policiesand practices, and provision of social and leisure facilities.

Providers of finance

Joint stock companies need the collective investments of shareholders in orderto finance their operations. Shareholders are drawn from a wide range of the population.The conversion of a number of building societies and insurance companies from mutualsocieties to public companies extended significantly the range of share ownership and stake holdingamong private individuals. Many people also subscribe indirectly as shareholdersthrough pension funds and insurance companies. Shareholders expect a fair financial returnas payment for risk bearing and the use of their capital. In addition, social responsibilitiesof management extend to include the safeguarding of investments, and the opportunity forshareholders to exercise their responsibility as owners of the company, to participate inpolicy decisions and to question top management on the affairs of the company. In the caseof public sector organisations, finance may be provided by government grants/subsidies –which are funded 'compulsorily' by the public through taxation and rates – as well as loans,and charges for services provided. There is, therefore, a similar range of responsibilities to thepublic as subscribers of capital.

**Customers**

To many people, responsibilities to consumers may be seen as no more than a natural outcomeof good business. There are, however, broader social responsibilities including:

- providing good value for money;
- the safety and durability of products/services;
- standard of after-sales service;
- prompt and courteous attention to queries and complaints;

- long-term satisfaction – for example, serviceability, adequate supply of products/services,

- and spare and replacement parts;

- fair standards of advertising and trading;

- full and unambiguous information to potential consumers.

Increasing concern for the rights of and social responsibilities to consumers can be seenby the activities of such bodies as the Consumers' Association and the Office of Fair Tradingand by the number of television and radio programmes devoted to this subject. In the caseofpublic corporations there are users' national councils or consumers' regulatory bodieswhich are independent and look after the interests of customers. In the case of local governmentthere is a system of Commissioners for Local Administration (popularly referred to as'Ombudsmen'), designed to provide an independent investigation of citizens' complaintsover alleged maladministration.

Community and environment

It is in the area of concern for the community at large that social responsibilities can be seen most clearly. Organisations have a responsibility not to misuse the scarce factors of productionupon which the wealth of the country depends. Organisations have a responsibility tosociety, to respect environmental considerations and take care of amenities. Some examplesunder this heading include:

- effects and potential dangers of pollution, noise, disposal of waste;

- the siting and appearance of new buildings;

- transportation policies, such as the routing of heavy vehicles through narrow villageroads; and

- avoidance of excessive packaging and more use of biodegradable materials.

Government

Another important area of social responsibility could arguably be to the government.Organisations should, of course, respect and obey the law even where they regard it as notin their best interests. What is debatable, however, is the extent to which organisationsshould co-operate voluntarily with actions requested by the government. Some examplesare restraint from trading with certain overseas countries, and the acceptance of controlsover imports or exports; actions designed to combat inflation, such as limits on the levelof wage settlements; and assisting in the control of potential social problems – for example,controlling the sale of tobacco or alcohol and the display of health warnings.

Other organisations or groups

The potential range of social responsibilities is substantial. Other organisations or groups towhom organisations might be regarded as having a social responsibility, or obligation, aresuppliers, trade unions, business associates and even competitors. Examples of socialresponsibilities might include fair standards of trading, honouring terms and conditions ofpurchase or sale, and settlement dates (for example, payment of accounts), assistance tosmaller organisations, engagement only in fair competition, and respect for copyright andpatents. Some organisations extend the range of social responsibilities even further – forexample, by giving recognition to the needs of developing countries; limiting the extent ofpolitical involvement or campaigning; donations to, or sponsorship of, the arts, educationalor research institutions, sporting organisations or charities.

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Check your progress:

3. Who are the stakeholders of Business?

4. Caroll's Pyramid include four basic types of responsibilities. Name them.

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The ten principles of the UN Global Compact are:

**Human rights**

**1** Businesses should support and respect the protection of internationally proclaimed human

rights; and

**2** make sure that they are not complicit in human rights abuses.

**Labour standards**

**3** Businesses should uphold the freedom of association and the effective recognition of

the right to collective bargaining;

**4** the elimination of all forms of forced and compulsory labour;

**5** the effective abolition of child labour; and

**6** the elimination of discrimination in respect of employment and occupation.

**Environment**

**7** Businesses should support a precautionary approach to environmental challenges;

**8** undertake initiatives to promote greater environmental responsibility; and

**9** encourage the development and diffusion of environmentally friendly technologies.

**Anti-corruption**

**10** Businesses should work against corruption in all its forms, including extortion and

bribery.

3.5 Ethics and ethical behavior in organisation

3.5.1 VALUES AND ETHICS

In the last few years, there have been more and more reports of UK and US service sector jobsbeing transferred to lower-cost Anglophone locations elsewhere in the world (India, SriLanka and others). Financial services organisations have provided notable examples of this'offshoring', as have IT helpdesk services and many other customer service offices. It is nowcommonplace for customers in the UK to find themselves talking to someone thousands ofmiles away: the scenes in Danny Boyle's Oscar-winning 2009 film *Slumdog Millionaire* inwhich call centre employees are briefed on UK geography and weather conditions in orderto appear more 'local' are based on a common practice in this industry.

The availability of much cheaper, high-capacity international telecommunications isobviously, a prime driver of this prominent feature of globalisation, as is the availability ofeducated English-speakers to perform these services. Like so many other aspects of globalisation,however, the development of offshoring also raises a range of *ethical* issues. For thosewho may be made redundant as jobs in the UK are moved offshore, for example,the news– at least in the short term – is mainly bad. For UK customers, the effects of lower costsin the new locations may be favourable, but there are reports of customer dissatisfactioninsome cases, with somecompanies choosing to bring this type of work back to the UK.There have also been reports of security lapses and even fraud in some financial servicesoffshore operations38 and of possibly serious errors in the transcription of medical notescarried out in offshore locations for UK NHS Trusts.In Indian cities, by contrast, the arrival of this type of work has had a mainly positive effect: for all that the pay rates may appear to be low by UK standards, many of theseopportunities are very attractive in the local labour market, to the extent that concerns havebeen expressed about qualified professionals abandoning their work to seek call centrework. Shareholders in the offshoring companies will expect to benefit if the same qualityof service can be delivered at lower cost, while there will also be indirect effects in bothcountries due to changes in things like demand for local services, tax revenues and socialsecurity payments.

3.5.2 Ethical complexity

Ethics is to do with good and bad (or right and wrong): it seeks to understand what makesgood things good, for example, in ways that can be generalised to other similar cases. Theexample of offshoring shows how complex these questions can be – goodness or badnessappears to depend on where you stand. But ethical questions are important because of theireffect on people in organisations, as well as people outside organisations who are affectedby the choices made by the people in organisations. Ethical complexity is probably the rulein real life, but the ethical aspects of organisational behaviour are too important to ignore.In this section, we outline the influence of ethical considerations in terms of the actionstaken by the organisation in pursuit of its strategic objectives, together with the ethical implicationsof interpersonal interaction, both inside the organisation and between individualsacrossorganisational boundaries.

3.5.3 Ethics and business

Ethics is concerned with the study of morality: practices and activities that are considered to be importantly right or wrong, together with the rules that govern those activities and thevalues to which those activities relate.40 Business ethics can be seen as an example of

appliedethics – just as medical ethics is about the application of general ethics to the humanactivity called medicine, business ethics seeks to explore the implications of general ethicsfor the conduct of business. This apparently obvious point is important: by taking thisstance, one rejects the view that moral principles have no bearing on business, or that 'thebusiness of business is business', as the common saying has it.This is not to say that it is easy, or uncontroversial, to apply ethics to business: on thecontrary, this fast-growing subject is characterised by a range of sharply contrasting views.Some of this controversy is inherent in ethics itself – as will be discussed below, there is nosingle clear view of how to judge good and bad, and this must impact on any applicationsuch as business ethics. This particular application of ethics, however, is also complicatedby the fact that ethics mainly deals with good or bad conduct on the part of individuals,resulting in possible difficulties in applying these ideas to impersonal corporate entitieslike companies. Is it appropriate to regard companies as if they were individual peopleand if not, what allowances should be made? Or, can the subject be satisfactorily seen asrelating to the conduct of individuals as employees of businesses? Clearly, for very smallbusinesses, the two views merge into one, but for larger, corporate entities, the position ismore complex.

3.5.4 ETHICS AND CORPORATE SOCIAL RESPONSIBILITY

One illustration of the complexity of issues in business ethics is the diversity of opinion onthe issue of corporate social responsibility (discussed earlier in this chapter). On one side ofthe debate are those who would share *Milton Friedman's* view that the social responsibility ofbusiness is to make as much money as possible for the shareholders, within the rules of thegame (fair competition, no deception or fraud, and so on). This shareholder-centred viewsees the directors of a company as agents of the owners, who are duty bound to act so as tomaximise the interests of those owners, this being taken as the reason for owners havingmade the investment in the first place.

A more recent development of this general approach is that of *Sternberg* who proposesateleological view of business ethics, based upon the pursuit of the business purpose – thatof maximising long-term owner wealth by selling products and services.Actions by a firmthatare consistent with this aim and which satisfy the additional tests of common decency(forexample refraining from stealing, cheating, coercion, and so on) and distributive justice(thatis ensuring that rewards are proportional to contributions made) are ethical. Actionsthat fail any one of these three tests are, in this model, unethical. At the other end of the spectrum are some forms of stakeholder theory, which emphasisea much broader set of social responsibilities for business. Cannon suggests that: There exists an implicit or explicit

contract between business and the community in which it operates.Business is expected to create wealth; supply markets; generate employment; innovate and producea sufficient surplus to sustain its activities and improve its competitiveness while contributing to themaintenance of the community in which it operates. Society is expected to provide anenvironment inwhich business can develop and prosper, allowing investors to earn returns while ensuring that thestakeholders and their dependants can enjoy the benefits of their involvement without fear of arbitraryor unjust action. The interdependence between society and business cannot be overstated.

3.5.5 BUSINESS ETHICS

The large-scale issues of corporate social responsibility are to do with how a company should conduct itself within society: these questions certainly have an ethical aspect, as has beendiscussed, but they are not the whole of business ethics. Day-to-day decisions made byindividual managers are not usually made on the basis of some detailed calculation of theconsequences for shareholder value (however theoretically desirable that might be) andmore general ethical considerations must play a part in resolving the dilemmas that sometimesarise in practice.The scope of business ethicsis very broad, because anything done by a company orits employees can be done ethically or unethically. The following list is not intended tobe exhaustive, but rather to illustrate the all-pervasive nature of ethical questions inbusiness:

■ behaviour towards customers, suppliers, distributors and competitors: for example, marketingand selling, fair competition, intelligence gathering, inducements and incentives;

■ treatment of employees: for example, recruitment, rewards, training, promotion, dismissal, employee and employer rights and duties;

■ treatment of other stakeholder groups: for example, local communities, governments, interest groups;

■ effect on the natural environment: for example, pollution, recycling, sustainability;

■ conduct in international operations: for example, use of power, respect for human rights, respect for local cultural values, offshoring, and so on.

3.5.6 Ethical decision-making at work

How, then, are ethical choices to be made by people working for organisations? No simple and universal answer is available – ethical awareness is something that can be cultivated and the different perspectives will often help to shed light on a particular dilemma. Some

perspectives may appear to be better suited to particular situations: whereas, for example,it is difficult to avoid some sort of consequentialist component in thinking about how acompany should act, it is also clear that duty-based arguments must also weigh heavily inthinking about the ethical treatment of people such as employees. The German philosopherKant's view that we should always treat other people as ends in themselves and neversimply asmeans is surely an important principle for decent human resource managementand one that would often be seen as more important than the prospect of short-term gain.Personal integrity and individual values are important elements in ethical decisionmakingat work, but the increasingly common company, professional or industry codes ofconduct may also provide support and guidance. This is not to say that these ethical 'resources'will always provide clear and comfortable guidance – sometimes, people in organisations willexperience tension between the conflicting demands of, say, their own personal values andthe demands placed on them by their organisation. If these conflicts become intolerableand cannot be resolved through normal means, then an individual may decide to becomea 'whistleblower' in the public interest, by taking the high-risk approach of placing theproblem in the public domain for resolution. Codes of conduct can help to reduce the riskof painful situations like this by providing a published set of values to which the individualcan appeal, rather than taking the risk wholly personally.

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Stop to consider

**Make ethics part of your heritage**

We need to develop a corporate code of conduct, a formal, articulated andwell-defined set ofprinciples which all global businesses agree to live up to. A broadly kept code of conduct wouldshut down the excuse about the competition making ethical behaviour impossible once and forall. We must all agree not to compete in ways that destroy communities or theenvironment.We must all embrace the principles of socially responsible business, because the decisions ofbusiness leaders not only affect economies, but societies. Unless businesses understand thatthey have responsibilities they must live up to, in terms of world poverty, the environment andhuman rights, the future for us all is pretty bleak.

Anita Roddick

Source: Roddick, A. *Business As Unusual*, Thorsons (2000), p. 269.

3.6 Summing up

1. The emerging issues and challenges for an organisation includes workforce diversity, changing demographics of workforce, changing employee expectations, globalisation, and trend of multinational companies, increase in foreign direct investment, increase in domestic level of education and many more.

2.The theme of national diversity of cultures influencing CSR is mostpronounced in India where a myriad customary systems underpin the variety of business and CSR models. The most famous of all has been the impact of the minority ethnic group, the Parsees. Their notion of responsibility prizes obligations not only to their own community, but also to the society to which they migrated. This materialized in the Tata group, now one of the world's largest MNCs, which pioneered responsibility in the workplace and community from its inception in the late 19th century, and in social auditing in the 1980s. Jamshetji Tata stated in 1895 that Tata Iron and Steel was founded on the principles of 'considering the interests of the shareholders our own, and the health and welfare of the employees'.

3. In order to be successful the primary objectives ofthe organisation may be seen as survival, growth anddevelopment, and profitability. Although the objectiveof profit maximisation is undoubtedly important, itis not by itself a sufficient criterion for the effectivemanagement of a business organisation. In practice,there are many other considerations and motivationswhich affect the desire for the greatest profit or maximumeconomic efficiency. The balanced scorecard isan attempt to combine a range of both qualitative andquantitative measures of performance.

4. In striving to satisfy its goals and achieve its objectives,the organisation cannot operate in isolation fromthe environment of which it is part. The power andinfluence of business organisations should be temperedwith its broad corporate social responsibilities (CSRs).These responsibilities are often viewed in terms oforganisational stakeholders. There is growing attentionto the subject of CSR, including concerns for globalresponsibilities. There is, however, a blurred distinction between the exercise of genuine social responsibilitiesand actions taken in pursuit of organisational efficiency.

5. The importance of CSR and how a company shouldconduct itself within society draws attention to valuesand ethics. There are differing assumptions about how abusiness should act, such as a shareholder-centred viewor a stakeholder view. An example is the debate over

theincreasing number of organisations 'offshoring' activitiesto locations elsewhere in the world. The scope of businessethics is very broad and gives rise to a number ofquestions with no single view of what is right or wrong.

6. Inevitably there is some debate about the emphasison the caring sharing company, social responsibilitiesand loftily worded mission statements An increasingnumber of organisations, of all types, now publisha code of business (or professional) conduct, or codeof ethics, butthe challenge is to ensure that suchvalues are embedded throughout the organisation andtranslated into reality. There are a number of pieces ofrecent legislation that arguably give support to theimportance of corporate social responsibilities andbusiness ethics.

3.7 References and suggested readings

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3.8 Model Questions

1. 'The most successful and enduring business organisations are also those that give the greatest attention to the well-being of their staff and to their broader social and ethical responsibilities.' To what extent do you agree? What examples can you quote to support your view? What would you say about your own organisation?

2. 'A National Health Service Trust chairperson was heavily criticised for maintaining thatthe primary loyalty of doctors was owed to their employers and that their duty topatients came third, after themselves.'What is your reaction to this point of view? Do you believe that owing first loyalty tothe organisation for which you work is such a bad thing?

3. The stakeholder view of how a business should act may sound attractive and makeethical sense but is too simplistic. The shareholder-centred view consistent withmaximising owner wealth makes more sense. Without this wealth people would bereluctant to invest in a business and it would not be possible to satisfy fully the demandsof the diverse group of stakeholders.'What do you see as the criticisms of this point of view? How would you preparea counter argument?

4. Discuss critically the extent to which you accept the concept of corporate social responsibilities.

5. How would you attempt to explain the meaning and significance of organisational values and business ethics?

6. Debate the extent to which you believe government legislation brings about a genuine advancement inthe social responsibilities of organisations.

7. Compare and contrast between values and ethics.

8. Values overpower ethics in workplace." Elucidate the statement with example.

9. "CSR is a mandate in India." Is it legible? Comment on the statement to support your views.

10. Explain the stakeholder approach. And how good does it hold in Indian business environment. Cite examples to explain your opinion.

3.9 Answers to check your progress

1. DINK- Double income no kids. Such employees are on a rise in the organisations.So, it becomes a challenge for the manager to manage such individuals. As they possess high aspirations and hopes.

2. Technology keeps on updating itself. As a result of that it demands changes in employee's skill set and behaviour. Thus, it is a evergreen challenge for an organisation.

3. The stakeholders of business: employees, providers of finance; customers; community and environment; government; and other organisations or groups.

4. Four basic responsibilities are: Economic, the foundation of the pyramid (i.e. to be profitable, which is required by society); Legal (i.e. playing by the rules, which is required by society); Ethical (i.e. to do the right thing, which is expected by society); and Discretionary, the peak of the pyramid (which Carroll originally called 'Philanthropic' i.e. be a good corporate citizen, which is expected and desired by society).

**BLOCK I : Unit-IV**

**Cultural Differences and cross cultural sensitivity- Hofstedes' dimensions, Managing through knowledge: behavior in terms of emerging organisations: learning and virtual organisation- organisational structure and design.**

**Unit Structure:**

4.1 Introduction

4.2 Objectives

4.3 Cultural Differences and cross cultural sensitivity

4.4 Hofstedes' dimensions

4.5 learning and virtual organisation

4.6 organisational structure and design

4.7 Summing up

4.8 References and suggested readings

4.9 Model Questions

4.10 Answers to check your progress

4.1 Introduction

An organization's customs, traditions, and general way of doing things are largelydue to what it hasdone before and how successful it was in doing it. This leadsus to the ultimate source of anorganization's culture: the founders. Foundershave a vision of what the organization should be, and the firm's initial small sizemakes it easy to impose that vision on all members.Culture creation occurs in three ways.First, founders hire and keep onlyemployees who think and feel the same way they do. Second, they indoctrinateand socialize employees to their way of thinking and feeling. And finally,the founders' own behaviour encourages employees to identify with them andinternalize their beliefs, values, and assumptions. When the organizationsucceeds, the founders' personalities become embedded in the culture. Forexample, the fierce, competitive style and disciplined, authoritarian natureof Hyundai, the giant Korean conglomerate, exhibits the same characteristicsoften used to describe founder Chung Ju-Yung. Other founders with sustainingimpact on their organization's culture include Bill Gates at Microsoft, IngvarKamprad at IKEA, Herb Kelleher at Southwest Airlines, Fred Smith at FedEx,and Richard Branson at the Virgin Group.

**4.2 Objectives**

1. Describe the common characteristics of organizationalculture.

2. Identify the factors that create and sustain anorganization's culture

3. Describe the similarities and differences in creatingan ethical culture, a positive culture, and aspiritual culture.

*4.3 Cultural Differences and cross-cultural sensitivity*:

*4.3.1 Organizational culture*

**Organizational culture** refers to a system of shared meaning held by membersthat distinguishes the organization from other organizations.Seven primarycharacteristics seemto capture the essence of an organization's culture:

**1. Innovation and risk taking.** The degree to which employees are encouragedto be innovative and take risks.

**2. Attention to detail.** The degree to which employees are expected to exhibitprecision, analysis, and attention to detailing in work process.

**3. Outcome orientation.** The degree to which management focuses on resultsor outcomes rather than on the techniques and processes used toachieve them.

**4. People orientation.** The degree to which management decisions take intoconsideration the effect of outcomes on people within the organization.

**5. Team orientation.** The degree to which work activities are organizedaround teams rather than individuals.

**6. Aggressiveness.** The degree to which people are aggressive and competitiverather than easygoing.

**7. Stability.** The degree to which organizational activities emphasize maintainingthe status quo in contrast to growth.

*4.3.2 Role of culture*

1. **Functions of culture**

Culture defines the rules of the organisation. Firstly, it has a boundary-defining roleso as tocreate distinctions between organizations. Secondly, it conveys a sense of identityfor the members of the organization. Thirdly, culture facilitates commitment to somethinglarger than individual self-interest. Fourthly, it enhances stability of the socialsystem. Culture is the

social catalyst that helps to bind the organization together byproviding standards foremployee operation on a day-to-day basis. Finally, it is a control mechanism that guides and shapes employees' attitudesand behaviour.

## 2. Culture creates climate

Organizational climaterefers to the shared perceptions of organizationalmembers about their organization and work environment.This aspect of culture is like team spirit at the organizational level. Wheneveryone's feelingshaveaffinity on the general wellbeing of the organisation, the impact of these attitudes will be more than the sum ofthe individual parts. One meta-analysis found that across dozens of differentsamples, psychological climate was strongly related to individuals' level of job satisfaction,involvement, commitment, and motivation.A positive workplaceclimate has been linked to higher stakeholder satisfaction and organizational financialperformance as well.

## 3. Ethical Dimension of culture

Organizational cultures are not neutral in their ethical orientation, varied organisations possess varied rules governing ethical dimension. Over time, the ethical work climate(EWC), or the shared concept of right and wrong behaviour, develops as part ofthe organizational climate. The ethical climate reflects true values of theorganization and shapes the ethical decision making of its members.Researchers have developed ethical climate theory (ECT) and the ethical climateindex (ECI) to categorize and measure the ethical dimensions of organizational

cultures. Of the nine identified ECT climate categories, five are most prevalentin organizations: instrumental, caring, independence, law and code, and rules. Eachexplains the general mindset, expectations, and values of the managers andemployees in relationship to their organizations.


## 4. Culture and Sustainability

Sustainabilityrefers to practices that can be maintainedover very long periods of time because the tools or structures that supportthe practices are not damaged by the processes. One survey found that a greatmajority of executives saw sustainability as an important part of future success.Concepts of sustainable management have their origins in the environmental movement, so processes that are in harmony with the natural environment areencouraged. Social sustainabilitypractices address the ways social systems are affectedby an organization's actions over time, and in turn, how changing socialsystems may affect the organization.

5. **Culture and innovation**

The most innovative companies are often characterized by their open, unconventional,collaborative, vision-driven, accelerating cultures. Startup firmsoften have innovative cultures because they are usually small,agile, and focused on solving problems in order to survive and grow. Considerdigital music leader Echo Nest, recently bought by Spotify. As a startup the organization was unconventional, flexible, and open, hosting music app"hack" days for users and fostering a music culture. All these are hallmarks ofSpotify's culture, too, making the fit rather seamless.Because of the similarorganizational cultures, Echo Nest and Spotify may be able to continue theirstartup level of innovation.

4.3.3 How Employees Learn Culture?

Culture is transmitted to employees in several forms, the most potent beingstories, rituals, material symbols, and language.

1. **Stories**

When Henry Ford II was the chairman of Ford Motor Company, he reminded hisexecutives,when they got tooarrogant a statement which says, "It's my name that's on the building."The message was clear: Henry Ford II ran the company.Today, several senior Nike executives spend much of their time servingas corporate storytellers. When they tell how co-founder (and Oregon trackcoach) Bill Bowerman went to his workshop and poured rubber into a waffleiron to create a better running shoe, they speak about Nike's spirit of innovation.When new joinees hear tales of Oregon running star Steve Prefontaine'sbattles to make running a professional sport and attain better performanceequipment, they learn of Nike's commitment to helping athletes.Stories such as these circulate through many organizations, anchoring thepresent in the past and legitimating current practices. Stories typically includenarratives about the organization's founders, rule breaking, rags-to-riches successes,workforce reductions, relocations of employees, reactions to past mistakes,and organizational coping. Employees also create their own narrativesabout how they came to either fit or not fit with the organization during theprocess of socialization, including first days on the job, early interactions withothers, and first impressions of organizational life.

**Rituals**

Ritualsare repetitive sequences of activities that express and reinforce the keyvalues of the organization—what goals are most important, and/or which peopleare important versus whichare expendable.Some companies have non-traditionalrituals to help support the values of their cultures. Kimpton Hotels &Restaurants, one of *Fortune*'s 100 Best Companies to

Work For, maintains itscustomer-oriented culture with traditions like a Housekeeping Olympics thatincludes blindfolded bedmaking and vacuum races. At marketing firm UnitedEntertainment Group, employees work unusual hours a few times a year, arrivingin the late afternoon and working until early morning. CEO Jarrod Mosesdoes this to support a culture of creativity. He says, "You mess with somebody'sinternal clock, and some interesting ideas come out."

**Symbols**

The layout of corporate headquarters, the types of automobiles top executivesare given, and the presence or absence of corporate aircraft are a few examplesof material symbols. Others include the size of offices, elegance of furnishings,perks, and attire. These convey to employees who is important, the degreeof egalitarianism top management desires, and the kinds of behaviour thatare appropriate, such as risk-taking, conservative, authoritarian, participative,individualistic, or social.One example of the intentional use of material symbols is Texas electric companyDynegy. There are fewindividual offices, even for senior executives. The space is essentially made up ofcubicles, common areas, and meeting rooms. This informality conveys to employeesthat Dynegy values openness, equality, creativity, and flexibility. While someorganizations provide their top executives with chauffeur-driven limousines anda corporate jet, other CEOs drive the company car themselves and travel in theeconomy section.

**Language**

Many organizations and subunits within them use language to help membersidentify with the culture, attest to their acceptance of it, and help preserveit. Unique terms describe equipment, officers, key individuals, suppliers, customers,or products that relate to the business. New employees may at first beoverwhelmed by acronyms and jargon that, once assimilated, act as a commondenominator to unite members of a given culture orsubculture.

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Check your progress:

1. How do employees learn culture?

2. Explain the role of culture.

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Table: Showing comparison of organisational culture

| Type A (American) | Type J (Japanese) | Type Z (Modified American) |
|---|---|---|
| Short term employment | Lifetime employment | Long term employment |
| Individual decision making | Consensual decision making | Consensual Decision making |
| Individual responsibility | Collective responsibility | individual responsibility |
| Rapid evaluation and promotion | Slow evaluation and promotion | Slow evaluation and promotion |
| Explicit, formalized control | Implicit informal control | Implicit informal control with explicit, formalised measures |
| Specialized career path | Nonspecialised career path | Moderately specialised career path |
| Segmented concern | Holistic concern | Holistic concern, including family |

4.3.4 Types of culture

1. Dominant culture-Dominant culture refers to the set of core values which are shared by majority of organisational members. Dominant culture gives an idea about the corporate personality. It portrays the image of the company. This culture gets reflected through the strategies, policies, and decisions of the top management of the organisation. An organisation's values and mission also reflect the culture of the organisation.

2. Strong culture-Strong organisational culture portrays organisations code values in a very strict and Stern way. Thereby popularizing it amongst the organisational members. Another characteristic of a strong culture is that it is widely shared amongst the members. The degree of sharedness depends on orientation and rewards. It is the responsibility of the existing employees to spread the organisational culture amongst the new joinees. And word of mouth of employees and their present habits reflects theorganisationalculture. Strong culture also makes the employees bound to follow it strictly thereby passing it on to the younger employees. Rewards are also a way to motivate employees to share organisational culture.

3. Weak culture-Weak organisational culture is reflected in the way employees conduct their daily activities. When the core values of the organisation are not shared or passed on from the existing employees to the new joinees it can be said as existence of a weak culture. The

intensity of sharedness of culture determines whether an organisation is following a weak or strong culture. Thus, an organisation which does not motivate its employee to spread its positive culture in the organisation is said to possess a weak cultural approach. The organisation possessing weak cultural background tends to have a high rate of turnover. If employees leave the present organisation and join a new one due to problems in organisation's culture,thenthe organisation suffers from major negative brand building. The corporate identity of the organisation also getstarnished due to its non-adherence to follow core values and vision.

4.4 Hofstedes' dimensions:

Geert Hofstede, was a Dutch social psychologist who developed Hofstede's cultural dimensions theory. He was also an IBM employee and later became a professor who became well known for his pioneering work on cross cultural topics. This theory was proposed on four dimensions along with cultural values.It also analyses individualism and collectivism, uncertainty avoidance; power distance (strength of social hierarchy) and masculinity-femininity (task-orientation versus person-orientation), confucian dynamism. Hofstede's theory is based on cross cultural psychology and developed its views which are drawn from researchers and consultants of international business and communication area. The coping ways and techniques differ from country to country and culture to culture. The presence of inequality, uncertainty and relationship with the individual are the primary elements with which coping is very essential.

Even though Hofstede's model is widely accepted as the most comprehensive framework of national cultures values by experts. But it is criticized on the following grounds:

1. inconsistencies at the level of both theory and methodology and

2. cautions against an uncritical reading of Hofstede's cultural dimensions.

| Cultural dimension | Definition | Examples |
|---|---|---|
| **Power distance** | *Power distance* is the extent to which the less powerful members of institutions and organizations within a country expect and accept that power is distributed unequally. | **Low**: U.S. and Canada<br><br>**High**: Japan and Singapore |
| **Individualism and collectivism** | *Individualism* describes cultures in which the ties between individuals are loose.<br><br>*Collectivism* describes cultures in which people are integrated into strong, cohesive groups that protect individuals in exchange for unquestioning loyalty. | **Individualistic**: U.S., Australia, and Great Britain<br><br>**Collectivistic**: Singapore, Hong Kong, and Mexico |
| **Masculinity-femininity** | *Masculinity* pertains to cultures in which social gender roles are clearly distinct.<br><br>*Femininity* describes cultures in which social gender roles overlap. | **Masculinity**: Japan, Austria, and Italy<br><br>**Femininity**: Sweden, Norway, and Netherlands |
| **Uncertainty avoidance (UAI)** | *Uncertainty avoidance* is the extent to which the members of a culture feel threatened by uncertain or unknown situations. | **Low**: Singapore, Jamaica, and Denmark<br><br>**High**: Greece, Portugal, and Japan |
| **Confucian dynamism** | *Confucian dynamism* denotes the time orientation of a culture, defined as a continuum with long-term and short-term orientations as its two poles. | **Long-term**: China and Japan<br><br>**Short-term**: U.S. and Canada |

Source: Hofstede's Cultural Dimension Model (Hofstede, 1991, p.28)

4.5 Learning and virtual organisation

4.5.1 Learning organisation

The key factor in organisational effectiveness is the successful management of change andinnovation, and corporate renewal. Traditional views of managerial behaviour have placedemphasis on planning, organising, directing, and controlling. However, increasing internationalcompetitiveness and the need for organisations to respond rapidly to constantchange in their environment have drawn renewed attention in recent years to the concept oflearning organisation.It is therefore often associated withorganisation development. The original idea has been around for many years, however, andwas popularised in the 1960s–1980s by major writers such as Argyris.The pioneering work on the concept of learning organisation in the current era was done Peter Michael Senge. A significant contribution has been made by *Senge*, who defines the learning organisationas a place:
*Where people continually expand their capacity to create the results, they truly desire, where new andexpansive patterns of thinking are nurtured, where collective aspiration is set free, and where people arecontinually learning how to learn together.*

Features and Characteristics of the learning organisation

Senge stresses on saying that organisations need to develop a culture of learning, and to instilpeople's commitment and capacity to learn at all levels in an organisation. Senge suggeststhat there are five basic features of a learning organisation:

- **systems thinking** – the recognition that things are interconnected, and organisations arecomplex systems.
- **personal mastery** – the competencies and skills associated with management including

  spiritual growth.
- **mental models** – the driving and fundamental values and principles of the organisation.
- **shared vision** – the importance of co-operation and a shared vision by team members.
- **team learning** – the two mutually complementary practices of dialogue and discussion,first separating them and then combining them.

*Yukl* summarises features of the learning organisation in terms of:

Leaders developing and refining methods for understanding how things work, how to adapt to the environment and achieve the organisation'sobjectives.

- people at all levels being empowered to deal with problems and find better working methods.
- knowledge being diffused throughout the organisation and people being encouraged toapply it to their work.
- top management implementing processes to support change initiated by people in lowerlevels of the organisation; and
- resources being invested to promote learning and entrepreneurial activities.

Garratt views learning organisations as essentially liberating and energising and as crucial for organisational survival and growth. He refers to four characteristics of the learning organisation:

- It encourages people at all levels of the organisation to learn regularly and rigorously fromtheir work.
- It has systems for capturing and learning information and moving it where it is needed.
- It values its learning.

- It is able to transform itself continuously.

Training in ICT skills

*Lane*, *Snow and Labrow*emphasise that training in the organisation's ICT skills is essentialfor corporate survival and should be part of a continuous learning culture. The learningorganisation model will create a solid foundation on which continually to build. Lane *et al.*suggest that there is no accepted definition of the term 'learning organisation' but list somekey attributes of this type of organisation.

- Learning organisations understand that teams are the fundamental learning unit – notindividuals.
- Learning organisations develop a shared vision through which a singular purpose isestablished, and learning is based on this purpose.
- Learning organisations place learning in the mainstream of their operations. Learning,quality, and customers are all so important that they are everyone's job

A learning organisation has a culture that embraces questioning and change.

- Learning takes place in anticipation of change rather than just responding tactically toproblems.
- In a learning organisation technology serves the workforce, not vice versa.
- Learning is intentional and focused on the strategy of the organisation, not reactive.
- Learning organisations structure their processes and systems so that learning and teaching
- are included in the day-to-day work role; consequently, learning is pervasive, and changecreated from it is permanent.

Difficulties with the concept of the learning organisation

Politics and control

*Coopey*believes that there are serious gaps in the learning organisation literature. He claimsthat writers have ignored the importance of control and political activity within organisations.He criticises the unitary view that is taken and the elitist model that is put forward. He points

to research which shows that, in turbulence, political action increases, and concludes thatthelearning organisation may be destined to be a mechanism of management control whichwill 'advantage some, but disadvantage others. The effect of differential power, he believes,diminishes the potential for individual and collective learning.

> Garratt suggests that for an organisation to create a climate in which learning ispossible,there must be a willingness on the part of the senior managers to accept that learning occurscontinuously at all levels of the organisation. Allowing information to flow where itis needed may well be politically difficult but is no doubt a most critical measure of anorganisation's effectiveness. Garratt voiced his worries about the possible problems thatemerge with directors saying and doing different things:Paradoxically, top managers now mouth the words 'our people are our major asset', but do not behaveas if this is so.

Source: Garratt, B. *Learning to Lead*, Fontana (1991).

## 4.5.2 Virtual organisation

Virtual organization is a temporary or permanent collection of geographically dispersed individuals, groups, organizational units, or entire organizations that depend on electronic linking in order to complete the production process (working definition). Virtual organizations do not represent a firm's attribute but can be considered as a different organizational form and carries out the objectives of cyber diplomacy.

 The term virtual organization ensued from the phrase "virtual reality", whose purpose is to look like reality by using electronic sounds and images.The term virtual organization implies the novel and innovative relationships between organizations and individuals. Technology and globalization both support this organization.

Virtual can be defined as "not physically existing as such but made by software to appear to do so",in other words "unreal but looking real". This definition precisely outlines the leading principle of this unconventional organization, which holds the form of a real (conventional) corporation from the outside but does not actually exist physically and implicates an entirely digital process relying on independents web associates. Thus, virtual organizations are centred on technology and position physical presence in the background. Virtual organizations possess limited physical resources as value is added through (mobile) knowledge rather than (immovable) equipment.
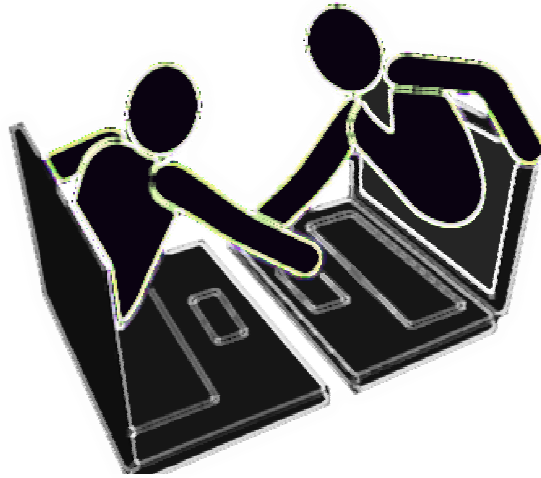
Fig: Virtual Organisation

Benefits of Virtual organisation:

To the organization

- Competitive advantage: As a way to conduct supply chain integration or bridge the merger and acquisition processes between two companies.
- Abilities: A pool of abilities and knowledge
- Flexibility, dynamism and  better responsiveness :  virtual  organizations,  also called "boundaryless organization", do not imply time or geographical obstacles
- Investments: Less investments costs initially
- Productivity: the implementation of virtual organization implies a 30 to 50% rise of productivity
- Less costs, more profits: virtual organization are saving a huge amount of money as they are no real-estate investments necessary, the labour cost is inferior and the number of errors is poorer

To the employees

- More independence: individuals can work when they need to and decide in which ways
- Amount of stress reduced: no workplace pressure and consequently an improved personal and family life

- Less money spent: diminution of gas consumption or money spent on public transports

To the society

- An environmental benefit: less pollution
- Expansion of the workplace area: possibility to work efficiently in the rural areas

Issues and challenges of virtual organisation

Despite the advantages provided, it can be quite challenging to those familiar to conventional work group to lead as a virtual organization. Thus, large risks are conveyed with the challenge of working virtually as this new organizational structure implies several issues.Some people wrongly think that the challenges only come from the technology management but we should not forget the importance of humans. Information technology offers an efficient and largely beneficial platform but we should not neglect the necessity, especially in a virtual organization, of the individuals' skills and manner to collaborate.

Communication

Communication is a crucial factor in a virtual organization as it is responsible of its efficiency and even to its survival. Virtual organizations imply various autonomous and international workers, which also involve challenges such as different time zones and language barriers. The collaboration between associates might also get quite complicated as this type of organization denotes only a slight amount of face-to-face interaction. Thus, lack of multiple communication approaches can be observed in virtual organizations.

Cultural

Culture constitutes an essential element in any organization of any type. Yet, virtual organizations have to be even more vigilant about this notion as they imply a shared leadership between the team, which is composed of self-reliant workers from all around the world. Virtual organizations must find a way to overcome cultural differences, which involve dissimilar approaches of working (such as time and deadlines) and living (punctuality for instance), in other words, distinctive philosophies. Thus, virtual organization must exegete respect for differences among the team.

Interpersonal

Managing virtually successfully requires a valuable communication and cooperation among the team. Perceptions between partners might be quite dissimilar and could lead to conflicts concerning the management of the virtual organization. Thus, it is more than necessary that associates build a solid relationship despite the distance obstacle Trust is also a crucial matter as a shared leadership among co-workers consequently implies the loss of control on certain functions entrusted to other associates.

Technological

Virtual organizations are completely dependent to technology as they are entirely internet-based. It is more than necessary for the individuals involved in a partnership to possess similar technological tools from its associates. Compatibility matters resulting from the hardware and software such as the operating system as well as certain computer's software might disturb the efficiency of the virtual organization. For instance, the occurrence of incompatibility issues (difficulty in integrating information generated with dissimilar tools) concerning the hardware or software, would dramatically affect virtual organizations' process and performance as they depend on these tools. Institute, uphold and spread a definite common knowledge between partners is one of the ultimate issues to virtual organizations' management. Security and data protection also constitute a significant challenge as all the information regarding virtual organizations are transmitted and gathered digitally. A continuous control and evaluation of the technology utilized should be done by virtual organizations in order to prevent being outdated and losing opportunities.

Economical

Virtual organization involves considerable costs. Between the setup and equipment costs and the maintenance costs, the bill can become quite steep quickly. It also constitutes a challenge to measure, evaluate and track the work done within the different departments of the virtual infrastructure. This might lead to partners missing deadlines, the necessity to rework and, thus, a loss of efficiency and profit.

Examples of virtual organisation

Private sector

- Hollywood
- British Telecom
- Reuters Holdings

- Aventis
- Center for Culture & Global Studies

Public sector

- United States Department of Agriculture (USDA) National Plant Data Center
- United States Department of Energy (The Office of Science Integrated Support Center)

| Virtual Organisation | Traditional Organisation |
|---|---|
| Statutory HR practices governing functioning of employees which are not clear and effective | HR practices are well established, and time tested |
| It is in evolutionary stage | It is in a stable stage |
| Leadership is self-managed | Leadership is based on external command |
| Control is also self-managed | Control is also based on external command |
| Employee's skill developed through e-learning process | Employee's skill developed through real time training programme |
| Power of employees depend on their role and responsibility assigned to them. | Power of employees depend upon their level of hierarchy occupied in the organisation |

Check your progress:

3. Highlight the benefits of virtual organisation.

4. Highlight the basic features of learning organisation.

## 4.6 Organisational structure and design

Organisational structure refers to the pattern of relationships that exist among various components of the organisation. It includes the organisations hierarchy and authority structure, roles and responsibilities assigned at various levels and the division of work.

According to Stoner, organisational structure indicates the organisations hierarchy and authority structure, and shows its reporting relationships. It provides the stability and

continuity that allowed the organisation to survive the coming and going of individuals and co-ordinate with the environment".

Organisation structure consists of two basic pillars: Division of labour and coordination. These two principles must be diligently followed by the organisation if it once to build a successful organisation structure. Even the structure to last long the organisation must be able to make its employees stay in the organisation comfortable.

Organisational structure provides several benefits to the organisation. Well managed systematized and disciplined structure makes the functional process easier. It allows the organisation to deal with any chaotic situation in its daily course of function.

The purpose of having and organisational structure is listed below:

1. Facilitates Management: A well-structured organisation facilitates the task of a manager why this charging his duties. The role and responsibility to be played by each individual is clearly demarcated. This feature helps in smooth conduction of the organisational activities. A successful manager will always try to define role responsibility authority relationship amongst the individual employees of the organisation in advance.As it helps to is out many inefficiencies in an effective and efficient manner.

2. Enterprise growth: A well-structured or helps to provide growth and diversification of an organisation. Growth and development activities depends on many parameters. One of the important parameters being structured organisational activities. Organisational structure covers a good number of activities which contribute directly or indirectly towards the growth of an organisation.

3. Use of technological upgradation: To advance in the organisational life cycle successful e organisation needs to respond to the technological developments. It is possible to attend organisational goals when a technically sound system is in place. Not only it saves time and energy but also provides a systematic approach to the work done. So, the presence of proper organisational structure facilitates better use of technological advancements.

4. Optimum use of Manpower: A good organisation structure becomes a successful motivator for the employees of the organisation. Human being as a factor of production tries to contribute for the growth of the organisation but inapt use of Manpower leads to loss of resources for the organisation. Awell-structured organisation is a self-motivator for the

employees. The burden on a manager also lessens when the organisational structure is in place.

5. Fosters creativity: Well-structured organisation also fosters creativity and specialisation in the organisation. These two elements are very important to increase the life of employment of an employee in an organisation. Each employee is different from the other. No two employees are similar. Thus, the level of specialisation and creativity is also variant. When a organisational structure is in place it can automatically take care in fostering creativity and skill enhancement amongst employees.

Elements of organisational structure

Organisational structure comprises of several elements which help in successful attainment of organisational goals. The elements are described below:

1. Division of labour- division of labour is the process of dividing the total task of an organisation into smaller jobs. It is done so as to provide is of work to the individuals present in the organised. Job specialisation is an important criteria while doing division of labour. The essence of division of labour is that it a bigger task is segregated into smaller units so that the work is completed in short span of time with requisite qualitative aspect.

2. Departmentalization- after the work is divided into smaller units now it needs to be grouped so that common tasks come under the same department. Departmentalization process helps in clubbing work of common nature together. This process of clubbing common tasks helps to and a qualitative feature to the organisational structure.

Departmentalization can be of various types:

Functional departmentalization- organisation is divided depending on the functions performed like Production department, marketing department, finance department, personnel department.

Product departmentalization- organisational tasks are divided depending on the nature of product manufactured by the organisation. Like fuel division, lubricants and wax division chemical division

Process departmentalization- manufacturing process becomes the basis for dividing the activities of an organisation like ok in a textile enterprise activity may be divided on the basis of production of equipment involved into spinning weaving and dyeing.

Territorial departmentalization- geographical Terrain becomes the basis for dividing the organisation like Indian Railways is divided into 17 zones for ease of administrative work.

Customer departmentalization- departmentalization is done based on the type of customer that the organisation caters to like wholesale retail or export.

3. Span of control- span of control refers to the number of subordinates that a manager can effectively supervise and control. It is important to know about span of control as it helps to impose an effective and timely guidance to the individuals. A manager can very closely monitor subordinates' performance on the work and take corrective measures and ensure completion of work on time.

4. Delegation of authority - Delegation of authority refers to the process of assigning work and responsibility to a designated person by the manager. Responsibility is assigned to a subordinate by the manager so as to complete the work in his absence. Responsibility and authority works hand in hand but many a times along with responsibility authority is seldom given. This at times creates problem for the employee as in situations where authority becomes a mandate along with responsibility the employee gets stuck. Authority without responsibility and vice versa does not give a qualitative output for the organisation and the individual.

5. Centralisation and decentralization - Centralisation refers to the degree to which the power of decision making is concentrated at a single point in the organisation and decentralization refers to the systematic discretion of power at lower levels of the organisation. Centralisation is the process of holding authority by individuals themselves. The top management of an organisation make decisions without consulting the middle of the lower-level personal this is a perfect example of centralisation. Where is decentralization leads to discussion at various levels before taking a decision. Centralisation of power and authority is more accepted by the employees as it a source creativity knowledge updation and motivation to excel.

6. Formalization - Formalization refers to the degree to which jobs within an organisation is standardized. Formulation is done through written policies rules and regulations. It helps employees to become clear about their role is responsibility and activities in the organisation. Formalization also helps to save time as a managers need not guide the employees on daily activities as the employees are already aware of their routine tasks. The manager may manage ample time to pay attention to critical areas where more concentration is required.

Forms of organisation structure:

1. Functional and divisional structure- in a functional structure organisation is divided on the basis of functions performed by it. Divisional structure divides the organisation on the basis of product, customer, or region

2. Vertical and horizontal structure- vertical structure refers to those organisations who possess is narrow span of control where is horizontal structure refers to those structures which uses whitespan and Limited layer of control at various levels.

3. Mechanistic and organic structure- in mechanics structure tasks are divided into separate specialised jobs. Each task is clearly and rigidly defined to the Employees so that mistakes maybe avoided. Communication flow is through the formal hierarchy which is present in the organisation. Inorganic structure tasks may not be highly specialised and the employees may perform a variety of tasks just to complete the groups task. The communication flow is horizontal and employees talk to whoever person they need to get any information at any time. The tasks assigned in organic structure are not elaborately specified they may be adjusted and we defined to employ interactions in the due course of the activity.

4. The Matrix structure- matrix organisation structure was proposed by Dairs and Lawrence for Aerospace program of the United States. Matrix structure refers to the combination of two different organisational structures to achieve organisational goals for example product and functional departmentalization may be clubbed together to get better access to opportunities. In a metric structure IT Department reports cement industry to both their departmental heads. This ensures clarity of role responsibility and authority both among supervisor and the subordinates.

Factors determining difference in structure of organisation:

1. Strategy- organisational structure helps the management to achieve its set objectives. As organisational objectives and strategy are closely related therefore any change in organisational structure also demands change so as to accommodate the objectives of the organisation. Three basic strategy dimensions include innovation cost minimization and limitation

2 Organisation size - organisational size is measured by the number of employees, scale of operations, size of investment etc. Organisation size files to determine the structure that a particular organisation will follow when an organisation is small interaction is confined to a relatively small is smaller group but communication poses as a barrier when the size of the organisation increases. So, organisation size is one of the prime contributors to decide that which structure to follow.

3. Technology- technology refers to the process of converting inputs into output. The relationship between technology and structure is classified into two types routine and non-routine activities. It is found that routine activities are associated with taller and more departmentalised structures.

4. Environment- environment is a composition of all the factors existing in the internal and external environment of business. Environment may be divided into static and dynamic. static Environment may create significantly less uncertainty for the organisation then dynamic ones. On the other hand, the most dynamic and answer tenth the environment the greater is the need for flexibility.

Organisational structure and employee behaviour

Employee behaviour and organisational structure possesses a complex relationship. It is so because individuals differ from each other on various parameters like culture skilled experience age educational qualification personal goal and many more. Thus, judging employee behaviour based on the structure of an organisation is not an easy task. Still and effort can be made establish a relationship between organisation structure and employee behaviour based on the following points:

1. Work specialisation - work specialisation is is appreciated by a particular category of employees while it may be vice versa for the rest. Depending on individual characteristics and nature of organisation work specialisation or its impact may be determined. Some employees may appreciate high work specialisation while the rest may not accept it. An individual with less tolerance of specialised job would not like to accept work specialisation. While the same acts as a source of satisfaction for a few employees am.

2. Span of control- Wide span of control lead to higher employee performance. This is because wide span provides lesser supervision and more opportunity for personal

development. Employees feel at is to work in an organisation possessing largest span of control. However, it is difficult to take a stand for any particular type of span because individuals differ from one another. Some employees may like wider span of control while some may oppose it.

3. Centralisation- there exists a strong relationship between satisfaction of employees and centralisation. The lesser centralised and Organisation is the better is it for the employees to work. As employees themselves realise the importance of the work assigned to them, their roles and responsibilities towards it and their commitment towards the work. Decentralized structure helps the employees to enhance their creativity and nurture their skills. Does through centralisation the employees are not able to contribute even in the process of decision making which makes it more difficult for them to to sustain themselves in the organisation. At times it may also lead to low self esteem amongst the employees.

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Stop to consider

1. Span of control- span of control refers to the number of subordinates that amanager can effectively supervise and control. It is important to know about span of control as it helps to impose an effective and timely guidance to the individuals.
2. Mechanistic structure- in mechanics structure tasks are divided into separate specialised jobs. Each task is clearly and rigidly defined to the Employees so that mistakes maybe avoided. Communication flow is through the formal hierarchy which is present in the organisation.

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Check your progress

5. Why do organisation structures differ?

6.Identify and explain the various typology of organisation structures.

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4.7 Summing up

1. Organizational culture: A system of shared meaning held by members that distinguishes the organization from other organizations.

2. Dominant culture: A culture thatexpresses the core values that are shared bya majority of the organization's members.

3. Core values: The primary or dominantvalues that are accepted throughout theorganization.

4. Subcultures: Minicultures within anorganization, typically defined by departmentdesignations and geographical separation.

5. Rituals: Repetitive sequences of activitiesthat express and reinforce the key values ofthe organization, which goals are mostimportant, which people are important, andwhich are expendable.

6. Workplace spirituality:Recognizes that peoplehave an inner life that nourishes and is nourished by meaningful work in thecontext of community. The concept of workplace spiritualitydraws inspiration from values, ethics, motivation, and leadership followed in the organisation.

7.A key factor in organisational effectiveness is thesuccessful management of change and innovation,and the concept of the learning organisation. Thisis associated with the concept of lifelong learning asan essential ingredient of organisational performanceand effectiveness.

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4.9 Model Questions

1. 'Organisations have no separate identity of their own and do not exist without theirmembers. The whole nature of a reactive, hierarchical and structured organisation iscontrary to the instinctive process of learning.'To what extent do you believe that organisations, not just individuals, are capable oflearning?

*2.* Explain in your own words what is meant by, and the main characteristics of, the learning organisation.To what extent do you believe your own organisation is a successful learning organisation?

3.Compare and contrast between virtual and learning organisation.

4. "Organisation structure varies along with stages of organisation life cycle". Explain the statement.

5. How does Technology affect organisation structure? Bring out the of impact of technology on the behaviour of organisational members .

6.Compare and contrast between decentralization and delegation.

7. What do you mean by span of management? As a manager will you prefer to to set a narrow or wide span? Give reasons in support of your answer.

4.10 Answers to check your progress

1. Story, language, Ritual, symbol

2.Culture creates climate, ethical Dimension of culture, culture and Sustainability, culture and innovation.

3. Benefit of virtual organisation-To organisation, to employees, to society.

4. Features of learning organisation-Systems thinking, personal mastery, mental models,shared vision, team learning

5. Organisation structure due to the strategy implemented or organisation size technology used or even the environment in which it operates.

6. Typology of structure-Functional and divisional structure, vertical and horizontal structure, mechanistic and organic structure, matrix structure

# BLOCK II
## UNIT I : PERSONALITY AND ATTITUDE

**Unit Structure:**

## 1.1 INTRODUCTION

In general sense, when we talk about personality, we mean certain characteristics of an individual like his/her physical characteristics or mental attitude. However, in psychology, personality is referred to as a dynamic concept describing the growth and development of a person's whole psychological system.[1]An individual's personality is determined not just by his physical or mental characteristics. Certain environmental factors also shape an individual's personality.People behave differently because of the differences in their personality. In this unit, we will learn the concept of personality, the factors affecting it and attitude formation. We will also learn various personality traits and theories which will provide an in-depth understanding of the personality of individuals.

## 1.2 OBJECTIVES

This unit is an attempt to understand the concept of personality and why there are differences in personality of individuals. After completing this unit, you will be able to -

- understand the concept of personality and factors affecting personality
- explain various theories of personality
- understand the distinct personality traits and various theories on personality traits
- understand the concept of attitude
- explain how attitude is related to behaviour
- explain the various attitudes that employees develop at work.

## 1.3 CONCEPT OF PERSONALITY

The term personality was derived from the Latin word "Persona" which means to speak through. In psychology, personality was first defined by American psychologist Gordon Allport in 1937. According to him, personality is the dynamic organisation within the individual of those psycho-physical systems that determine his unique adjustment to his environment.Stephen P. Robbins describes personality as the sum total of ways in which an individual reacts and interacts with others. Personality can be described as consisting of stable characteristics which explain why a person behaves in a particular way.[2]It is the study of traits or characteristics of people and how they react and adapt with other people and situations. For example, optimism, honesty, compassion, humility, independence, aggressiveness, extroversion, introversion etc. can be some characteristics of an individual. These are called personality traits. These traits determine how an individual reacts to a particular situation. For instance, if an individual is extrovert, he is likely to get along easily with others or interact with other people more.

To effectively manage organisations, understanding the personalities of different employees becomes important for a manager to get an idea about how an employee is likely to behave in a particular situation.Many organisations conduct personality tests to measure the personality of candidates for a job to decide which person is fit fora particular job.

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**STOP TO CONSIDER**

**Personality is the sum total of ways in which an individual reacts and interacts with others. Personality traits vary from person to person and also depends on the situation, e.g., honesty, optimism, extroversion, introversion, aggressiveness etc. It is important for managers in an organisation to understand the personalities of different employees.**

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## 1.4 FACTORS AFFECTING PERSONALITY

Different individuals have different personalities. But why this is so? Psychologists and social scientists believe that an individual's personality is determined by not only his/her inherited characteristics but also by environmental factors. An individual's physical appearance and mental attitude are inherited characteristics but the surroundings or the environment in which he/she grew up also has an influence on the personality of that individual. Several factors determine the personality of an individual which we will learn in detail now.

The main determinants of personality are:

- Heredity
- Environment
- Situation

(i) **Heredity:**Heredity, also called inheritance refers to passing on of the traits or qualities from parents to their children at birth.Our personalities depend to a great extent on the genes that are transmitted to us from our parents. Physical stature, attractiveness,skin colour, colour of hair or eyes, intelligence, energy level, muscle composition and reflexes etc are some examples of inherited personality characteristics. Many research studies have been conducted to prove that heredity affects personality of an individual. Studies have found that about 40% of an individual's personality is attributable to heredity and the other 60% is attributable to the environment.[3]

(ii) **Environment:**The environment or the surrounding in which an individual is raised also determines his/her personality. People grow up in different cultures which lead to differences in their personality. Culture dictates certain norms, values and attitudes which are to be followed by its people. An individual has to behave in conformity with the established cultural norms of the society. For example, Indian culture teaches us to be polite and obedient towards the elders, greet someone with a Namaste when we met them for the first time or to touch their feet when they are older in age to us.Thus, while growing up, individualslearn to behave in the manner as per the cultural norms of the society which also helps in shaping their personality.

(iii)**Situation:**In recent years, researchers have suggested that actions or behaviour of an individual is also determined by the situation which he/she is in. The kind of situation an individual is in determines his personality. For example, people will behave differently while they are at home compared to when they are in their office.In different places, individuals are likely to show different personalities. A person may be totally shy or introvert at office while in home he may be totally extrovert.

Thus, from the above discussion, we have understood that there are various factors whichinfluence the personality of an individual. Heredity provides inborn traits but our total

personality development will be achieved only by our ability to adjust to the situation and requirements of the environment.

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**Check Your Progress**

Q1: Who first defined the concept of personality?

Q2: What are personality traits? Name some personality traits.

Q3: What are the factors that determine personality of an individual?

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**Self Assessment Questions**

Q1. What is the need to study the personality of individuals?

Q2. Why do different people have different personalities? Discuss the factors affecting the personality of individuals.

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## 1.5 PERSONALITY TRAITS AND TYPES

As we have discussed earlier, different people have different personalities. Personalities of different people are differentiated on the basis of traits. Traits are defined as any distinguishable, relatively enduring way in which one individual differs from another.[4] Now let us learn the different personality traits and types in detail.

### 1.5.1 PERSONALITY TRAITS

In organizational behaviour, personality traits can be classified as follows:

I. Big Five personality traits

II. Other Personality traits

**I. BIG FIVE PERSONALITY TRAITS**

Over the years, numerous research studies conducted in the field of psychology have suggested that there are five basic dimensions which incorporate most of the variations in the personalities of different people.These five dimensions can be used to describe almost all the different human personalities. These traits are called the "Big Five". Let us see what are these:

(i) **Conscientiousness:**Conscientiousness is the dimension which measures the extent to which a person is reliable or organized. A conscientious person has the moral sense of what is right or wrong which influences his behaviour. People scoring high on conscientiousness are more focused, organized, disciplined and responsible. On the other hand, people having low conscientiousness are not focused, unorganized, unsystematic and are more likely to get easily distracted from their goals.

(ii) **Emotional stability:**Also sometimes referred to as Neuroticism, this dimension refers to a person's ability to handle stress. People having a positive emotional stability are calm, confident and resilient whereas people with negative emotional stability or simple emotional instability are likely to be nervous, anxious or depressed.

(iii)**Extraversion:**Extraversion is a dimension which measures whether a person is an extrovert or an introvert, i.e., it defines the extent to which a person is sociable. Extraverts are characterized by people who are more open, assertive, active, energetic or sociable. On the other hand, an introvert is reserved and does not like to mix up with others often.

(iv)**Agreeableness:** Agreeableness is the personality dimension which measures the extent to which a person is likely to agree with others. People having high agreeableness are more cooperative, friendly, trusting and good natured. On the contrary, people with low agreeableness are argumentative, uncooperative and unfriendly.

(v) **Openness to experience:** This dimension measures the extent to which a person is open minded or open to new ideas. People who are high on this dimension are more creative,

accept new and different ideas more easily and have a flexible attitude. On the contrary, people with low degree of openness to experience are more rigid, conventional, less creative and do not want to accept new ideas.

It is to be noted here that any of the personality dimensions that we have discussed above should not be seen as good or bad. A person may rank differently on all the dimensions. He/she may score high on some dimensions and may score very low on others. A combination of all these traits (whether low or high) will determine their behaviour which will help us to understand their personalities.

## II. OTHER PERSONALITY TRAITS

(i) **Introvert and extrovert personalities:** This classification of personalities was given by Swiss psychologist Carl Jung. People with extrovert personality like to socialize with other people. They are generally friendly in nature, talkative, open to changes and like to express themselves freely. On the contrary, introverts prefer to be alone or socialize with a small group of people. They may face problems in expressing themselves. Introverts do not generally take risks and they certainly do not like to accept changes easily.

In the organizational context, people with extrovert personalities are more likely to perform efficiently in dynamic jobs e.g., sales department, public relations etc. On the other hand, jobs which are repetitive in nature or those jobs which can be performed independently are suitable for introverts.

(ii) **Type A and Type B personalities:** This classification was given by Friedman and Rosenman. According to them, people with Type A personalities are hard-working, competitive, impatient and work very fast. They may be at times

aggressive and are more achievement-oriented. They are always in a hurry and take a lot of stress due to which they are more prone to conditions like heart attack. On the other hand, people having Type B personalities are relaxed, non-competitive, patient and more sociable. They are never in a hurry and do not take much stress. People with Type B personalities are good at maintaining interpersonal relations.

(iii) **Physiognomy Personality Types:** This classification of personality was given by Kretschmer and Sheldon which describes personality of a person by his/her physical attributes. According to them, there are three personality types on the basis of physical structure of a person:

    (a) *Endomorph:* This personality type is characteristised by people who are short and have more weight, i.e., they have a large physical structure which is not proportionate to their height. Endomorphs are fun loving, sociable,relaxed and affectionate. They are liked by other people, generally are foodies and seek comfort in life.

    (b) *Ectomorph:* This personality type is the exact opposite of an endomorph. Ectomorphs are characterized by tall, lean and thin person who has little fat on their bodies. Ectomorphs are intelligent, introverts, self-conscious, artistic and thoughtful. Even though an ectomorph may eat just like the amount of food consumed by an endomorph, he/she never gains weight.

    (c) *Mesomorph:*This personality type falls in between the two extremes-endomorph and ectomorph. These kinds of persons have a strong muscular body with no or very little fat. They are generally adventurous, assertive, like to undertake physical activities and does not mind taking risks. They are at times assertive and may not care about what other people think.

Though physical attributes can be related to a person's personality, it is highly unreliable. These characteristics cannot be generalized though these observations may seem to be true.

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**STOP TO CONSIDER**

**Endomorph personality types are people with a large physical structure which is not proportionate to their height. Ectomorphs are tall, lean and thin people who are generally introverts with high intelligence. Mesomorph personality types fall between endomorphs and ectomorphs.**

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(iv) **Myers-Briggs Type Indicator (MBTI):** Developed by Cook Briggs and Isabel Briggs Myers, the MBTI framework is used to assess the personality of different people in different situations with the help of 100 questions. On the basis of these questions, people are classified into four different categories and sixteen personality types are identified-

  (a) *1st group*- on the basis of from where a person gets physically and psychologically energized- ***Extraversion (E) and Introversion(I).***

  (b) *2nd group*-on the basis of how people take in information from their surroundings- ***Sensing (S) and Intuitive (N).***

  (c) *3rd group*- on the basis of how people will take decisions after taking in all the information- ***Thinking (T) and Feeling (F).***

  (d) *4th group*- on the basis of how people would like to get things done- ***Judging (J) and Perceiving (P).***

  ***Extraversion and Introversion***: Extroverts are people who like to be around other people. They are more sociable, talkative and may even be assertive.

Introverts, on the other hand, are shy and quiet people. They feel uncomfortable to be around too many people.

***Sensing and Intuitive***:Sensing people are more focused on what is happening in the present. They are more detail-oriented, realistic and prefer routine and order.On the other hand, intuitive people are more concerned with looking at the bigger picture. They are idealistic and focus on concepts.

***Thinking and Feeling***: Thinking people are more objective and logical. They take decisions on the basis of facts and logic. On the other hand, feeling people are subjective. They base their decisions on feelings and emotions rather than on logic

***Judging and Perceiving***: Judging people want control and prefer things to be in order or structured. On the other hand, perceiving people are flexible, spontaneous and easygoing.

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**STOP TO CONSIDER**

**The MBTI framework classifies 16 different personality types on the basis of 100 questions asked to respondents. These personality types are divided into four categories which are- Extraversion and Introversion, Sensing and Intuitive, Thinking and Feeling and Judging and Perceiving. This theory was developed by Katherine Cook Briggs and her daughter Isabel Briggs Myers.**

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The following sixteen types of personalities developed on the basis of the above mentioned groups are-

| ISTJ | ISFJ | INFJ | INTJ |
|------|------|------|------|

| ISTP | ISFP | INFP | INTP |
|------|------|------|------|
| ESTP | ESFP | ENFP | ENTP |
| ESTJ | ESFJ | ENFJ | ENTJ |

Now, a person who is Introverted-Intuitive-Thinking-Judging(INTJ) will possess characteristics like having original ideas, great drive, independent, great visionary etc. A detailed personality types with qualities possessed by each of them is shown in Fig. 1.1 below:

Fig 1.1: MBTI framework showing characteristics of the sixteen personality types

(Source: Essentials of OrganisationalBehaviour, Laurie J Mullins, Prentice Hall, 8<sup>th</sup> edition, 2007)

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**Check Your Progress**

Q1. What are the 'Big Five' Personality traits?

Q2. Who gave the concept of Introvert and Extrovert personality types?

Q3. Describe the features of Type A and Type B personalities.

Q4. What are the three personality types described by Kretschmer and Sheldon?

Q5. Compare endomorph, ectomorph and mesomorph personalities.

Q6. What is MBTI framework?

Q7. What are the categories in which personality types are defined in MBTI framework?

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**Self Assessment Questions**

Q1. Do you think the different personality types defined in physiognomy personality types are accurate? Discuss.

Q2. What is MBTI Framework? How is it useful for managers in organisations? Discuss its limitations, if any.

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## 1.6 PERSONALITY THEORIES

From the topics that we have discussed earlier in this chapter, it should be clear what is personality, which factors affect personality and what are the types and traits of personality. Now we will learn some popular theories on personality which will help us to understand the personality of individuals better. The various personality theories are discussed in detail below:

I.      Psychoanalytical theory

II.     Self theory

III.    Social learning theory

## I.    PSYCHOANALYTICAL THEORY

The Psychoanalytical theory was proposed by Austrian neurologist and psychoanalyst Sigmund Freud. Psychoanalysis is the study of the unconscious mind. The human mind is composed of the conscious mind and unconscious mind. In this theory Freud has studied the unconscious mind and its influence on behaviour to understand the personality of individuals. The personality structure of an individual develops as a child but it changes at every stage of life. The psyche consists of three different components and each of these interact to form a whole and make a contribution in forming an individual's behaviour- *The Id, The Ego* and *The Superego-*

(i) *The Id:* The Id is described as the natural impulse, i.e., something which is inborn in the individual. It includes all the inherited feelings or emotions of a person. These emotions are natural or instinctive, i.e., it is part of the unconscious mind and are not governed by any rules. Based on the *'pleasure principle'*, the Id is responsible for giving an immediate and direct response for basic urges, needs or desire, without thinking about the consequences. We experience pleasure when our needs are satisfied. Since Id is only concerned with immediate satisfaction of needs, it is not affected by rationality or logic.

(ii) *TheEgo:* The ego is part of the conscious state of an individual's personality. It is the rational and logical part of the human mind. While the Id is illogical or unrealistic, the ego works by reason. It tries to balance between the Id and the realities of the external environment. It is based on the *'reality principle'*. Thus, when the Id creates a need to be satisfied instantly, ego tells whether to satisfy the need or postpone it for the future.

(iii) *The Super Ego:* The super ego is the moralistic part of an individual's personality which tells us whether it is right or wrong to do something. An individual is not

born with super ego, rather it is learned by him/her from the morals and values of the society and upbringing given by parents. Based on the *'morality principle'*, the super ego decides whether doing something is morally right or wrong as per the norms or ethical standards set by the society. Thus the main function of super ego is to restrain the Id's impulses, especially those which are forbidden by the society.

There is always a considerable amount of friction among these three components- the Id, ego and super ego. While the Id demand instant satisfaction of needs, the ego decides whether to immediately satisfy that need or postpone it and the super ego control's the Id and tells us whether satisfying that need will be morally or ethically correct. All the three components are interrelated and interact among themselves to form an individual's personality.

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**STOP TO CONSIDER**

**The Id works on the pleasure principle, i.e., it gives immediate and direct response for basic urges, needs or desires without thinking about the consequences. The Ego works on the reality principle, i.e., it is the logical part of mind and tries to balance the Id and realities of the external environment. The Super ego works on the morality principle, i.e., it decides whether something is right or wrong.**

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## II.    SELF THEORY

The self theory of personality was propounded by American psychologist Carl Rogers. According to this theory, personality of a person revolves around the self concept which ismainly influenced by our childhood and evaluation of us done by others. Self concept is defined as a set of perceptions and beliefs about a person's his/her own self. A person develops an image of himself/herself which is termed as "I" or the personal self. The other image is of how the world looks at him/her or what image others have formed for

him/her. This is termed as "Me" or the social self. The self theory includes the following four factors:

***Self Image:*** Self image or the personal self is how a person thinks about himself/herself. It is the image which one forms about oneself.

***Ideal self:*** It means the ideal image which one forms, i.e., how a person should look like or behave ideally.

***Looking glass self:*** Looking glass self or the social self is the image which the society forms for an individual., i.e., how others perceive a person to be.

***Real self:*** Real self is what an individual really is. The other three factors which we discussed above are perceptions which may or may not be same as the real self.

The relationship between the personal self and social self determines an individual's behaviour. Individuals receive feedback from their environment which makes them change their behaviour in accordance with the environment needs.

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**STOP TO CONSIDER**

**According to the Self theory, a person develops an image of himself/herself which is termed as "I"(personal self) and the other image is of how the world looks at him/her which is termed as "Me"(social self). This relationship between the personal self and social self is studied by the following factors: Self image, ideal self, looking glass self and real self.**

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### III.   SOCIAL LEARNING THEORY

Also called *social cognitive theory* or *self efficacy theory*, it refers to an individual's belief that he/she is capable of performing a task.[5]American psychologist Albert Bandura propounded this theory after conducting a number of studies by observing the children's

learning process. According to him, the behaviour of an individual is influenced both by his/her cognition and the environment in which he/she interacts. A person can learn through the following ways:

- Learning by observation
- Learning by reinforcement

(i) **Learning by observation**: People learn by observing other people's behaviour and its consequences. This is called *observational* or *vicarious learning*. Bandura conducted an experiment on children called the Bobo Doll Experiment which suggested that children observe those people who they are surrounded by most of the time like parents, other family members, characters on television etc and imitate their behaviour. For example, when children see their parents getting dressed for a formal occasion, they often try to imitate their style later or when children watch their parents making their bed in the morning or folding the laundry they also learn to do it by observing the behaviour of their parents. Observational learning is generally effective when the person we are observing is similar to us in some form or the other. In fact, behaviour of a person is a mix of observation of one's own behaviour and observation of other people's behaviour. Whether a person follows or imitates a particular behaviour depends upon whether that behaviour is reinforced or punished. If a particular behaviour is punished then people learn not to imitate that behaviour.

(ii) **Learning through reinforcement**: When a particular behaviour of a person is positively reinforced, then that behaviour is repeated and that becomes a part of the individual's personality. But if a behaviour is negatively reinforced or punished, then that behaviour is not repeated. For example, two boys fight at school and get punished for their behaviour. They learn not to fight again as this

would lead to them being punished again. Learning takes place not only by observing a behaviour but also by observing the consequences of a particular behaviour. If that behaviour is rewarding, then it is strengthened and thus repeated and if it is not rewarded, then it is not repeated.

Bandura says that an individual automatically does not observe and imitate a particular behaviour. There is a mental process between observing(stimulus) and imitation(response) of a behaviour called the mediational process. The following are the mediational processes which an individual goes through:

*Attention*: For any behaviour to be imitated, an individual has to first observe it in great detail. For this, he/she needs to pay attention to it. We come across many behaviours on our lives on a regular basis but every behaviour may not grab our attention. But in order to be influenced by a particular behaviour, attention is extremely necessary.

*Retention*: Retention means how well a particular behaviour is remembered. A particular behaviour may be imitated later due to which retaining it in our memory is very important. Any behaviour which is noticed well but not remembered or retained in the memory will not let us to imitate it later on.

*Reproduction*: It means the ability of an individual to recreate or perform that behaviour exactly the way in which it was retained in the memory. However, reproducing a behaviour in the same manner is not always possible. We may want to do certain things things done by other people but in reality we may not be able to do so. Thus, ability of an individual affects the reproduction of a particular behaviour. For example, we may want to sing like our favourite singer but we cannot imitate it as we are limited by our physical or mental abilities. Even if we want to, we are not able to do it.

*Motivation*: The desire or willingness to perform a particular behaviour is calledmotivation. Before imitating any behaviour, the consequences, i.e., the rewards or punishments which will be associated with the behaviour are considered by the individual. Thus, if perceived rewards follow a particular behaviour, then the individual will imitate that behaviour but if perceived costs or punishments are more than the rewards, then the individual will not imitate that behaviour.

Thus, the social learning theory provides valuable insights to determining an individual's personality.

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**STOP TO CONSIDER**

**According to social learning theory, an individual can learn by observation or by reinforcement. Observational or vicarious learning happens when people learn by observing other people's behaviour and its consequences. Learning by reinforcement is happens when a particular behaviour is repeated by an individual on the basis of whether that behaviour gets positively or negatively reinforced. The mental processes called the mediational process which occur between observing and imitation of a behaviour are- attention, retention, reproduction and motivation.**

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**Check Your Progress**

Q1. Who gave the Psychoanalytical theory?

Q2. State the functions of Id, Ego and Super ego.

Q3. What is self concept according to the Self theory?

Q4. What are the four components of self theory?

Q5. Who conducted the Bobo Doll experiment?

Q6. What are the mediational processes that comes between observation and imitation of a behaviour?

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**Self Assessment Questions**

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Q1. Critically examine the psychoanalytical theory of personality.

Q2. Discuss how the Social learning theory helps in shaping an individual's personality.

## 1.7 CONCEPT OF ATTITUDE

Generally, when we talk about attitude, we mean how a person reacts (either positively or negatively) to those around him/her. In organizational behaviour, attitudes can be defined as evaluative statements (positive and negative), about objects, people or events.[6] In simple words, attitude means what is our point of view towards something or someone or how we think or feel about them. Sometimes the words attitudes and beliefs are used interchangeably both they are not quite the same thing. Attitudes are in fact very complex. We can hold different attitudes for different people, situations or objects etc. Even our attitude towards the same people, situation or object can be different at two different time periods. We learn to develop attitudes throughout our lives. They can be both positive or negative- a positive attitude towards something or someone leads to favourablebehaviour whereas a negative attitude results in unfavourablebehaviour. Similarly in the organizations, different employees will have different attitudes. But it is important for the managers to observe the employees' attitudes as the attitude of one employee may have an impact on the others. For example, an employee with a negative attitude will always complain about his/her work or feel demotivated at all times. This attitude will have an impact on his/her co-workers as well and they may also feel demotivated or dissatisfied with their jobs. On the other hand, having a positive attitude will enhance the morale of other employees too.

## 1.8 COMPONENTS OF ATTITUDE

Attitudes have three components: cognition, affect and behaviour. Let us discuss these components in detail:

(i) **Cognitive component:**The belief, thoughts or attributes that we identify with a specific object is called the cognitive component of an attitude. It is a description of, or belief in, the way things are.[7]It refers to that aspect of an individual's attitude which is related to his/her general knowledge. For example, when we say "Fire is dangerous" or "I am afraid of cockroaches" or "I got poor marks in exam" are examples of cognitive component of our attitude.

(ii) **Affective component:** The component which deals with feelings or emotions of an individual (like happiness, anger or disliking) about a specific object is called the affective component. For example, the affective component may be fear (when we see cockroach or fire) and anxiety or grief (when we get poor marks in exam).

(iii) **Behavioural component:** The tendency to behave in a certain way towards a specific object is called the behavioural component of attitude. It is the way in which our attitude towards someone or something affects the way we act or behave. For example, behavioural component in the above examples will be – we will try to avoid going near fire, or scream when we see a cockroach and may cry or be upset for getting poor marks in exam.

## 1.9FORMATION OF ATTITUDE

We have already learnt what is attitude and what are its components. But how an attitude is formed? How does an individual develop feelings or beliefs? An individual learns to develop or acquires attitudes all along his/her life from different sources. Let us discuss these sources in detail-

**(i)** **Direct personal experience:**An individual can develop attitudes on the basis of personal and direct real life experiences. An individual's personal experience, whether positive or negative, will have a significant impact on his attitude. This also called cognitive foundation of attitude or beliefs. These are developed from direct personal experience.

**(ii)** **Our actions:** Attitudes can also be developed by a person's actions. This generally happens when we do something before developing an attitude, i.e., we do not know what our attitude will be. Only when we perform an action, we come to know about our attitude. For example, before meeting a person for the first time, we will be unsure about our attitude towards him/her. It is only after meeting that person we will develop an attitude (whether its liking or disliking) about that person. This is the behavioural foundation of attitude.

**(iii)** **Emotions:** An individual may also develop an attitude when he/she associates an emotion with it. In such instances, rather than reasoning or thought, our attitudes have been shaped by our emotions. This is possible through-

- *Sensory reactions:*Sensory reactions refer to taste, smell, sight, touch or hearing. An individual can develop attitudes by direct experience with an object through these sensory reactors. For example, upon smelling a fragrance, we will immediately develop an attitude about whether we like the smell or not.

- *Values:*Values are concerned with what is right or wrong or what is desirable. They provide another basis for developing attitudes. Certain attitudes may be developed when we feel that our underlying ideals or values are reinforced by that attitude. For example, certain religious or cultural beliefs ofteninfluence the formation of attitude.

- *Operant conditioning:*Operant or instrumental conditioning is developing an attitude on the basis of whether a particular action is rewarded or punished (discouraged). For example, a man tells his son that he will praise him if he goes to school everyday. So the son will develop a positive attitude towards going to school everyday as his behaviour will be rewarded (his father praising him).

- *Classical conditioning:*The theory of classical conditioning, given by Russian psychologist Ivan Pavlov is a learning based on association. Here, a stimulus which may not create any response of its own but when used with another stimulus can create a response. Though the first stimulus may not cause any reaction, associating with the second stimulus will definitely create a response. Thus, conditioned stimulus develop conditioned attitudes. For example, in many cultures, there are things which are disapproved of, but sometimes the words themselves generate a response.

- *Mere Exposure:* Sometimes, we tend to develop a positive attitude towards something or someone when we get exposed to them repeatedly. This generally holds true in all cases unless we are over-exposed to that object or person. For example, we may not like the taste of a certain type of food but if we still have to eat it on a regular basis, the taste will gradually become tolerable or we may even end up liking it.

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**Check Your Progress**

Q1. Define attitude.Give some examples of your attitude.

Q2. What are the components of attitude?

Q3. Describe any of your direct personal experience which led to formation of

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one of your attitudes.

Q4. What is operant conditioning and classical conditioning?

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**Self Assessment Questions**

Q1. Describe the process of formation of attitude with suitable examples.

Q2. Can attitude be changed? Discuss.

Q3. How can our attitudes be shaped by our emotions? Discuss.

Q4. What is the importance of learning about attitudes in an organisation?

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## 1.10   RELATIONSHIP BETWEEN ATTITUDE AND BEHAVIOUR

Early researchers believed that attitudes simple influence behaviour. However, in late 1960s, it was argued that understanding attitudes was not that simple. One researcher named Leon Festinger said that attitude follows behaviour. According to him, individuals always try to maintain harmony between their attitudes and behaviour to avoid any discomfort (i.e., dissonance). This is called *cognitive dissonance.* Cognitive dissonance is when an individual faces discomfort due to conflicting attitudes, beliefs or his/her behaviour. Thus, consistency is one of the basic assumptions concerning the relationship between attitudes and behaviour. Due to this principle of consistency, we often expect a person's actions to be consistent with his/her attitudes. However, when this is not the case, i.e., if there is any inconsistency between the two, individuals try to change an attitude or behaviour to eliminate any dissonance(discomfort). For example, smoking and drinking despite knowing that these can have adverse affects on our health is an example of cognitive dissonance. On our daily lives, we face many such incidents of cognitive dissonance as it is not possible to avoid it altogether. But how should we deal with cognitive dissonance? Generally, people experiencing any discomfort between their attitudes and behaviour try to resolve it by

changing one of their atttitudes or behaviour or by persuading and justifying themselves that there are no conflicts.

The degree of cognitive dissonance is not the same for every individual. Different people may experience cognitive dissonance at different levels and degrees. One of the factors which affect the degree of cognitive dissonance felt by an individual is the type and value of the beliefs that an individual holds. Beliefs which are more personal to the individual or which have a higher regard can cause serious cognitive dissonance.

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**STOP TO CONSIDER**

**Individuals always try to maintain harmony between their attitudes and behaviour to avoid any discomfort. Cognitive dissonance refers to a situation when an individual faces discomfort due to conflicting attitudes, beliefs or his/her behaviour. An individual's actions need to be consistent with his/her behaviour to avoid any discomfort(dissonance).**

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## 1.11  JOB  RELATED ATTITUDES

We have thousands of different attitudes. The field of psychology deals in each and every aspect of an individual's attitudes. However, in OB, we focus on a limited number of attitudes which are related to work. Let us look at the attitudes that an individual develops at work-

 (i) **Job satisfaction:**Employees can have different attitudes towards their job. Employees are said to have job satisfaction when they have a favourable/positive attitude towards their job. Employees develop this attitude based on the assessment of their job characteristics. Employees with high level of job satisfaction have positive attitude towards work, are motivated and work more effieciently.

**(ii) Job involvement:**It means the degree to which employees identify themselves with the job and whether their performance level is linked to their self worth. Employees having a high level of job involvement are able to relate strongly with their job and also attach their performance level with their self-worth

**(iii)Organisational commitment:**Organisational commitment means whether the employees have a positive attitude towards their organisation, i.e., what do they feel about the organisation? Do they wish to stay in the organisation? Do they feel committed to the organizational goals? Employees who are committed to the organisation develop an emotional attachment with the organisation and are more likely to stay even if they may not be happy enough to work there.

**(iv)Perceived organizational support:** It means whether the employees believe that the organisation supports them, cares for them or values them. An employee who believes that there is organizational support will be more motivated and is likely to show better performance. Organisations can support their employees better by providing better wages, incentives and a cordial environment at work.

**(v) Employee engagement:** It means how much an employee is involved in his/her work and satisfied with the kind of work they do. Employees who are satisfied and enthusiastic for the work and feel more involved in it are likely to perform better than those who do not feel engaged with their work.

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**Check Your Progress**

Q1. What do you mean by cognitive dissonance?
Q2. Have you experienced cognitive dissonance in your life? Write down a few instances, if any.
Q3. Give an example of your attitude influencing your behaviour.
Q4.What are the different kinds of attitudes that an individual develops at work?

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## 1.12  SUMMING UP

Personality is an important aspect not only in the field of psychology but also in studying organizational behaviour. Understanding personality of employees in an organisation helps a manager to effectively manage them andget an idea about how or why an employee behaves in a particular situation. Many organisations conduct personality tests to measure the personality of candidates for a job to decide which person is fit for a particular job. Various psychologists have defined personality and all these definitions describe personality as consisting of unique traits or characteristics and the way in which an individual reacts in a particular situation. Personality development of an individual starts right from his/her childhood, some traits are also passed on from parents to their children. Apart from this, the environment in which an individual is raised and the situation also determines his/her personality. Various theories have been defined by psychologists to better understand the personality of individuals like Freud's Psychoanalytical theory, MBTI framework, Self theory and Social learning theory.

Understanding attitudes of employees are also an important aspect in organizational behaviour. Different people hold different attitudes and it is important for the managers to observe employees' attitudes as the attitude of one employee may have an impact on the others. Attitudes can be formed by direct personal experience, actions or emotions. An individual always tries to maintain a harmony between his/her attitudes and behaviour to avoid any discomfort or dissonance. The important job related attitudes of an employee

which can influence the organisation are- job satisfaction, job involvement, organizational commitment, perceived organizational support and employee engagement.

## 1.13 REFERENCES AND SUGGESTED READINGS

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6. Ibid.
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*Suggested Readings*

1. Organisational Behaviour, P.Stephen Robbins, Judge and A.Timothy, Pearson Education Inc.
2. Essentials of Organisational Behaviour, Laurie J Mullins, Prentice Hall.
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## 1.14 Answers to Check Your Progress

Q1. Who first defined the concept of personality?

Ans: The concept of personality was first defined by American psychologist Gordon Allport in 1937.

Q2: What are personality traits? Name some personality traits.

Ans: Personality traits are distinct traits or characteristics of an individual which determine how he/she reacts to a particular situation. Some personality traits are optimism, honesty, compassion, humility, independence, aggressiveness, extroversion, introversion etc.

Q3: What are the factors that determine personality of an individual?

Ans: The factors affecting personality are : heredity, environment and situation.

Q4. What are the 'Big Five' Personality traits?

Ans: Big Five personality traits are five dimensions which are used to describe almost all the different human personalities. These are – Conscientiousness, emotional stability, extraversion, agreeableness and openness to experience.

Q5.Who gave the concept of Introvert and Extrovert personality types?

Ans: Carl Jung gave the concept of Introvert and Extrovert personality types.

Q6. Describe the features of Type A and Type B personalities.

Ans: Features of Type A personalities: Hard-working, competitive, impatient, fast, sometimes aggressive, achievement oriented and take a lot of stress.

Features of Type B personalities: Relaxed, non-competitive, patient, sociable, good at maintaining interpersonal relations.

Q7. What are the three personality types described by Kretschmer and Sheldon?

Ans: Endomorph, ectomorph and mesomorph.

Q8. Compare endomorph, ectomorph and mesomorph personalities.

Ans: *Endormorph:*This personality type is characteristised by people who are short and have more weight, i.e., they have a large physical structure which is not proportionate to their height. Endomorphs are fun loving, sociable, relaxed and affectionate.

*Ectomorph:* They are just the opposite of endormorphs. Ectomorphs are characterized by tall, lean and thin person who has little fat on their bodies. Ectomorphs are intelligent, introverts, self-conscious, artistic and thoughtful.

*Mesomorph:* It falls in between the two extremes- endomorph and ectomorph. These kinds of persons have a strong muscular body with no or very little fat. They are generally adventurous, assertive, like to undertake physical activities and does not mind taking risks.

Q9. What is MBTI framework?

Ans: The MBTI framework was developed by Cook Briggs and Isabel Briggs Myers. It is used to assess the personality of different people in different situations with the help of 100 questions. On the basis of these questions, people are classified into four different categories and sixteen personality types are identified.

Q10. What are the categories in which personality types are defined in MBTI framework?

Ans: The four categories in which personality types are defined in MBTI framework are: Extraversion and Introversion, Sensing and Intuitive, Thinking and Feeling, Judging and Perceiving.

Q11.Who gave the Psychoanalytical theory?

Ans: The Psychoanalytical theory was given by Sigmund Freud.

Q12. State the functions of Id, Ego and Super ego.

Ans: The Id works on the pleasure principle, i.e., it is responsible for giving an immediate and direct response for basic urges, needs or desire, without thinking about the consequences.

Ego works on the reality principle. It is the rational and logical part of the human mind. While the Id is illogical or unrealistic, the ego works by reason.

The super ego is based on the morality principle. It is the moralistic part of an individual's personality which tells us whether it is right or wrong to do something.

Q13. What is self concept according to the Self theory?

Ans: Self concept is defined as a set of perceptions and beliefs about a person's his/her own self.

Q14. What are the four components of self theory?

Ans: The four components of self theory are: Self image, ideal self, looking glass self and real self.

Q15. Who conducted the Bobo Doll experiment?

Ans: The Bobo doll experiment was conducted by Albert Bandura.

Q16. What are the mediational processes that comes between observation and imitation of a behaviour?

Ans: The four mediational processes that comes between observation and imitation of a behaviour are: attention, retention, reproduction and motivation.

Q17.Define attitude. Give some examples of your attitude.

Ans: Attitudes are evaluative statements about people, events or objects. It means what is our point of view towards something or someone or how we think or feel about them.

(*Write down some examples of your attitude)*

Q18. What are the components of attitude?

Ans: The three components of attitude are: cognitive, affective and behaviourial.

Q19. What is operant conditioning and classical conditioning?

Ans: Operant or instrumental conditioning is developing an attitude on the basis of whether a particular action is rewarded or punished (discouraged).

Classical conditioning is a learning based on association. It states that a stimulus which may not create any response of its own creates a response when used with another stimulus.

Q21.What do you mean by cognitive dissonance?

Ans:Cognitive dissonance is when an individual faces discomfort due to conflicting attitudes, beliefs or his/her behaviour. Individuals always try to maintain harmony between their attitudes and behaviour to avoid any discomfort/dissonance.

Q22.What are the different kinds of attitudes that an individual develops at work?

Ans: The different kinds of attitudes than an individual develops at work are: job satisfaction, job involvement, organizational commitment, perceived organizational support and employee engagement.

# LOCUS OF CONTROL, EMOTIONAL INTELLIGENCE, INDIVIDUAL'S PERSONALITY AND WORKPLACE, ORGANISATIONAL SOCIALISATION

**Unit Structure:**

## 2.1 Introduction:

The question most of the time arises that how is the individual related to his environment and especially a social one, does the individual shape the environment or is it other way round? People usually have two contradicting attitudes to the above questions. Some believe one cannot predict, much less "cause" most of what happens as it is all predetermined or destined; other believe that one can both predict and to some extent "cause" events significant to oneself. The process of prediction and causation of personal and social matters have later being named as "locus of control".

The term "Locus of Control" was suggested by Rotter in the early sixties and later became popular.

## 2.2 Objectives:

- Explain the concept of Locus of Control
- Discover the causes of internality and externality of human behavior
- Recognize and discuss the four foundational areas of emotional intelligence
- Explain the personal and professional benefits of emotional intelligence
- Discover areas of opportunity for growth in emotional intelligence
- Explain the factors affecting that determine individual's personality

## 2.3 Locus of Control:Concept and Definition:

Locus of control refers to the perception of contingencies between action and outcomes to what extent an action produces an outcome. Those who have high perception of such contingencies (believe that their actions produce outcomes) are said to be "internals" (with internal locus of control), and those who have low perceptions of contingencies (believe that the outcomes are not produced by their actions) are called as "externals" (with external locus of control). In simple words, locus of control refers to the extent to which people feel that they have control over the events that influence their lives.

Famous psychologist Philip Zimbardo in his book "Psychology and Life" defined the term as:

"A locus of control orientation is a belief about whether the outcomes of our actions are contingent on what we do (internal control orientation) or on events outside our personal control (external control orientation)."

### 2.3.1 Concept of Internal Locus of Control and External Locus of Control:

*Internal Locus of Control:* When an individual believes that his actions have the ability to maximize the possibilities of a good and positive outcome and minimize bad outcomes, that individual is said to have internal locus of control.

Persons who are likely to take actions of their actions, tends to be less influenced by comments of others, have sense of self-efficacy, tends to work hard to achieve the things they want and are seem happier and healthier are people considered as internally controlled.

*External Locus of Control:* Individuals who are at the mercy of their luck, fate and unforeseen uncontrollable factors and feels helpless all the time and usually avoid responsibility for the bad outcomes and miserable performances are said as individuals with external locus of control.

Persons who blame others for their failure, often credit chance or luck for their successes, do not think that they can make changes through their efforts are usually the people who are externally controlled.

For e.g. students with "external locus of control" think that their success or failures in examinations result from external forces beyond their control, such as fate, luck, circumstances, bias, teachers who are unfair, unskilled and with prejudice cause the results.

Whereas students with "internal locus of control" tends to believe that their success or failures are determined by their efforts and hard work they have invested in their education. So a student with internal locus of control might blame his lack of preparation which caused his failure; whereas a student with external locus of control tends to blame on the biasness of teacher or the contents of the question paper for his poor performance.

### 2.3.2 Weiner's concept on Locus of Control:

The causal attribution by Weiner has most relevant concept in this context. He has added another dimension to locus of control. This is concerned about perception of causal attributions, whether a person attributes the outcome to internal or external "causes". Weiner has suggested a stability-variability dimension. Both internal and external causes can be either stable or variable, thus giving four categories of factors to which outcomes can be attributed.

Internal causes are either stable, which do not change easily (e.g., ability), or variable, those that can vary or change (e.g., effort). Similarly, the external causes are either stable (difficulty of a task), or variable (luck or chance). Weiner has further proposed that the interaction between locus of control and stability has a different significance for attribution of positive outcomes (success) and negative outcomes (failure).

Based on the investigations, Weiner has proposed that persistence in achievement activity will result if:

a)  success is attributed to an internal variable factor (effort), because if a person perceives that his effort (which he can vary) has resulted in the desired outcome, he will find more pleasure in engaging further in (increasing his effort for) the activity;

b)  failure is attributed to variable factors (both internal i.e., effort, and external, i.e., luck or chance). If a person perceives that his failure is due to factors which can change like luck or which can be varied like effort, he still has hope for improvement by putting in more effort. If a person attributes his failure to stable factors (ability or task difficulty), he is likely to give up his efforts, because on one hand, his ability level cannot change so easily, on the other hand, the level of task difficulty remains a hindrance, and there appears no sense in persisting in the activity.

### 2.3.3 Understanding Internality-Externality:

Internality is the general orientation of a person based on the belief that he "causes" most of the phenomena, or at least can influence them. In order to have a comprehensive understanding of internality, it may be useful to look at the different dimensions of it.

A person may perceive the contingency either as an individual or several individuals may perceive the contingency as a group. Both form the part of internality.

Similarly, externality can be seen in two dimensions- human and non-human. An outcome may be attributed either to human factors or non-human factors. Combining with the stability-variability dimension, one has four externality dimensions: human stable, human variable, non-human stable, non-human variable as shown in the figure below. The figure displays the four internality and four externality determinants of outcome.

| Locus of Control and Stability | Determinants | Resultant Mode |
|---|---|---|
| | *Internality with Stability* | |
| Personal Stable | Ability | Supermanship |
| Personal Variable | Effort | Self-determination |
| Group Stable | Race/Caste | Super-racism |
| Group Variable | Group Effort | Social-determination |
| | *Externality with Stability* | |
| Human Stable | Social System | Role-taking |
| Human Variable | Others | Compliance |
| Non-human Stable | Fate | Fatalism |
| Non-human Variable | Lack/Chance | Probabilism |

### 2.3.3.1 *Internal determinants of Outcomes:*

Success or failure to achieve an outcome may be attributed to four factors, which influence the behavior of an individual.

*Ability*: If an individual attributes outcome to his ability (personal stable factor), he may come to believe that he has higher or greater ability than most others and may

behave like an extraordinary person. He is an authoritarian and likes to dominate others.

The personal stable factor may include other aspects also like self-righteousness. Those who impose their own values on others may be very high on this aspect.

*Effort*: Effort is a personal variable factor. Attribution of outcomes to effort may result in perseverance in a task, and a self-deterministic behavior mode. The individual like to take the decision himself in relation to his own matters.

*Race or Caste:* Attribution of outcomes to the group to which one belongs is likely to result in an exaggerated value of the group to the individual. It may result in super-racial feelings.

*Group Effort:* As in the case of the individual variable factor, the group variable factor may lead to social determination of social matters. Collective actions belong to this category. People feel that through their collective action they may be able to alter conditions.

### 2.3.3.2 *External determinants of outcomes:*

External factors also attribute outcomes. It may be related to other persons and society, or to non-human factors. This includes four determinants:

*Social System*: Some people may attribute outcomes to the social system, whether it is political system, or work organization or a social system like the caste system, etc. Such people perceive individuals as merely roles in a system.

*Others:* An external human variable factor may be other people who are not a part of the stable system, but who are related temporarily with the individual. Leaders, teachers come in this category. Attributing outcome to such persons may result in their exaggerated importance to the individual. The individual may then comply with, what is being demanded or suggested by them.

*Fate*: if a person or a group of persons attribute the outcome to fate, they are likely to resign themselves to what may happen, since they would believe that neither they nor others can do anything.

*Luck or Change*: While fate is an external stable factor, luck or chance is an external variable factor. Persons attributing outcome to luck or chance may believe in the probability of change and be hopeful. They look for more opportune time and also make effort in the hope that they may be lucky the next time.

## 2.4 Emotional Intelligence: Concept

For many years, wisdom of a person and his ability to perform was measured by Intelligence Quotient (IQ). But over the last few decades, we have seen fundamental shift in the management style, roles have become more customer oriented and knowledge based with the need to work as a team. The changes in these roles have resulted in creation of organizational culture that is less autocratic with few levels of management. The very nature of such organization has allowed people to have high social skills along with the intelligent skills as well.

The psychologists Salovey and Mayer coined the term 'Emotional Intelligence' in 1990 and has described it as "A form of social intelligence that involves the ability to monitor one's own and other's feelings and emotions, to discriminate among them and to use this information to guide one's thinking and action."

One thing to remember here, cognitive abilities are related to IQ of an individual and non-cognitive abilities are associated with emotions. Emotional and social skills help to improve cognitive functioning of an individual.

### 2.4.1 Emotional Intelligence (EQ): Definition and Model of EQ

Daniel Goleman popularized the term 'emotional intelligence' in 1995 in his book titled "Emotional Intelligence: Why It Can Matter More than IQ. He defined EQ as "understanding one's own feelings, empathy for the feelings of others and the regulation of emotion in a way that enhances living."

Domains of EQ, as identified by Goleman include:

a) Know your emotions
b) Manage your Own Emotions
c) Motivate yourself
d) Recognize and understand other people's emotions
e) Managing relationships with others.

### 2.4.2 Emotional Dimensions:

A person in his lifetime experiences many emotions, which includes anger, contempt, enthusiasm, envy, fear, frustration, disgust, disappointment, hate, hope, love,

jealousy, pride, surprise, joy and sadness. These are both positive and negative emotions. Positive emotions express a favorable evaluation of feelings whereas negative emotions seem to have greater impact on individual.

**Emotional Continuum:**

| Happiness | Surprise | Fear | Sadness | Anger | Disgust |

(Source: Woodworth, Experimental Psychology)

The closer any two emotions are to each other on this continuum, the more people are likely to confuse them. For instance, happiness and surprise are frequently mistaken for each other, while happiness and surprise are frequently mistaken for each other, while happiness and disgust are rarely confused.

**Sources of Emotions:**

1. *Intensity:*Different people express emotions differently. Some people express their feeling rarely, they rarely get angry and never show rage. In contrast, there are some people who show their emotions more bluntly. When they are happy, they are ecstatic. When they are sad, they are deeply depressed. Jobs make different intensity demands in terms of emotional labour. Doctors and nurses are required to be calm when the patient is critical.
2. *Gender and Emotions:* It is assumed that women are more "in touch" with their feelings than men. Women are more prone to emotions and they are also better able to read the emotions in others. Usually, women show greater emotional expression than men, they experience emotions more intensely, and they display more frequent expressions of both positive and negative emotions.

**2.4.3 Emotional Intelligence and IQ:**

When it has been seen that psychologists have started to talk about intelligence, they focused on cognitive aspects such as memory and problem solving for the simple reason that they are easy to measure, which is popularly known as Intelligence Quotient (IQ). However, along with the cognitive abilities, non-cognitive abilities are also equal.

The psychologists Salovey and Mayer first used the term 'emotional intelligence' in 1990s. They defined it as "a form of social intelligence that involves the ability to monitor one's own and other's feelings and emotions, to discriminate among them and to use this information to guide one's thinking and action."

| Emotional Quotient | Intelligence Quotient |
|---|---|
| 1. Emotional quotient (EQ) or emotional intelligence is the | 1. An intelligence quotient (IQ) is a score derived from one of several |

| ability to identify, assess, and control the emotions of oneself, of others, and of groups. | standardized tests designed to assess intelligence. |
|---|---|
| 2. EQ has the ability to identify, evaluate, control and express emotions one's own emotions; perceive, and assess others' emotions; use emotions to facilitate thinking, understand emotional meanings. | 2. IQ has the ability to learn, understand and apply information to skills, logical reasoning, word comprehension, math skills, abstract and spatial thinking, filter irrelevant information. |
| 3. In the workplace, it leads to teamwork, leadership, successful relations, service orientation, initiative, collaboration. | 3. Success with challenging tasks, ability to analyze and connect the dots, research and development. |

**STOP TO CONSIDER**

Do you think emotional intelligence is greater than intelligence quotient? On what grounds do you think emotional intelligence is superior?

### 2.4.4 Ability Models: Mayer and Salovey Four-Branch Model of EI:

Ability model proposes that four fundamental emotion-related abilities comprise EI: (1) perception/expression of emotion, (2) use of emotion to facilitate thinking, (3) understanding of emotion, and (4) management of emotion in oneself and others.

1. *Perception/Expression of emotions:*
   Perception of emotion refers to people's capacity to identify emotions in themselves and others using facial expressions, tone of voice, and body language (Brackett et al., 2013). Those skilled in the perception of emotion also are able to express emotion accordingly and communicate emotional needs.

2. *Use of Emotion to Facilitate Thinking:*
   Using emotion to enhance cognitive activities and adapt to various situations is the second component of EI. People who are skilled in this area understand that some emotional states are more optimal for targeted outcomes than others.Individuals who have developed and practiced this area of EI actively generate emotions that support certain tasks or objectives.

3. *Understanding of Emotion:*
   EI also includes the ability to differentiate between emotional states, as well as their specific causes and trajectories. Feelings of sadness or disappointment can result from the loss of a person or object. People skilled in this area are aware of this emotional trajectory and also have a strong sense of how multiple emotions can work together to produce another. For instance, it is possible that Ravi may feel contempt for the people who cut in front of you in line.

However, this feeling of contempt does not arise from anger alone. Rather, it is the combination of anger and disgust by the fact that these individuals, unlike Ravi, have disobeyed the rules.

4. *Management of Emotions:*

Emotion management includes the ability to remain open to a wide range of emotions, recognize the value of feeling certain emotions in specific situations, and understand which short- and long-term strategies are most efficient for emotion regulation.

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**Check Your Progress**

**Q. 1: What is emotional intelligence?**

_____
_____

**Q. 2: What are the sources of emotions?**

_____
_____

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## 2.5 Individual's Personality and Workplace:

### 2.5.1 Concept of Personality:

The word personality in English is derived from the Latin word persona. Originally, it denoted the masks worn by theatrical players in ancient Greek dramas. Thus, the initial conception of personality was that of a superficial social image that an individual adopts in playing life roles — a public personality. These different conceptions clearly indicate that the meaning of personality in psychology extends far beyond the original 'superficial social image' concept. It refers to something much more essential and enduring about aperson.

Personality may be understood as the characteristic patterns of behavior and modes of thinking that determine a person's adjustment to the environment. It can be explained as how a person affects others, how he understands and views himself and his pattern of inner and outer measurable traits.Personality in organizational behavior of an individual plays an extremely important role in assessing the behavior of a person at an organization.

For instance an individual who is holding a senior position in an organization has a wrong type of personality, it may lead to a very bad impact on the relationship and ultimately it may lead to protests and unrest at the workplace.

### 2.5.2 Determinants of Personality:

Of all the complexities and unanswered questions in the study of human behavior, the question what are the determinants of personality may be the

most difficult to answer. For the convenience of study, the determinants of personality can be grouped into five broad categories:

i. **_Heredity:_** The role of heredity in the development of personality is an old argument in personality theory. Heredity refers to those factors that were determined at conception. Physical stature, facial attractiveness, energy level, muscle composition and reflexes and biological rhythms are characteristics that are generally considered to be imported either completely or substantially by one's parents. The heredity approach argues that the ultimate explanation of an individual's personality is the molecular structure of the genes, located in the chromosomes which contain thousands of genes, which seem to be transmitters of traits. The role of heredity on personality development is still an unsettled area of understanding.

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

- Physical Structure (how tall or short one is, whether one has a long or shortnose, large or small feet — briefly, how one is put together)
- Reflexes (direct response to stimuli, such as withdrawing from a pin prick, blinkingwhen something approaches the eye)
- Innate drives (impulses to act based on physiological tensions; but these mustbe linked through learning with activities which will reduce the tensions)
- Intelligence (the capacity to learn, to modify responses)
- Temperament (patterned and recurrent responses associated with basic emotionalmakeup for e.g.- phlegmatic, excitable and or lethargic)

ii. **_Environment:_**Personality development owes as much toenvironment as it does to heredity. Environment is a broad term and includes such factorsas culture.

Culture establishes norms, attitudes and values that are passed along fromone generation to the next and create consistencies overtime. Anthropologists, to whomculture as a subject belongs, have clearly demonstrated the important role culture playsin the development of the human personality.

iii. **_Family:_**The family has considerable influence on personality development, particularly in theearly stages. The parents play an important part in the identification process which isimportant to an individual's early development. The process can be examined from threedifferent perspectives:

- First, identification can be viewed as the similarity of behavior (including feelingsand attitudes between child and model)
- Second, identification can be looked upon as the child's motives or desires to belike the model.

- Third, identification can be viewed as the process through which the child actuallytakes on the attributes of the model.

iv. ***Social Factors:*** There is increasing recognition given to the role of other relevant persons, groups and especially organizations, which greatly influence an individual's personality. This is commonly called the socialization process. Socialization involves the process by which a person acquires, from the enormously wide range of behavioral potentialities that are open to him or her, those that are ultimately synthesized and absorbed. Socialization process is especially relevant to organizational behavior because the process is not confined to early childhood, taking place rather throughout one's life.

v. ***Situational Factors*:** Human personality is also influenced by situational factors. The effect of the environment is quite strong. Knowledge, skill and language are obviously acquired and represent important modifications of behavior. An individual's personality, while generally stable and consistent, does change in different situations. The varying demands of different situations call forth different aspects of one's personality.

### 2.5.3 Individual's Personality and Workplace:

Every work environment is different. Every organization is comprised of different people who create a unique grouping of personalities. While every organization is different, there are certain similarities that comprise of a "typical" contemporary work experience. Understanding personality traits is the key to predicting behavior and understanding how situations can influence individuals.

Having an understanding of these inborn preferences, including own, enhances relationships and reduces conflict. Since people spend more time at work than at home with family or friends, it's important to nurture an amicable workplace environment.A harmonious workplace makes the long hours enjoyable for the practice owner and employees. It also enhances employee retention. Skilled, conscientious employees are in high demand and can find work elsewhere. Employee turnover interrupts the workflow and it's expensive to onboard new staff.

Christine Allard, associate director of the Archer Center for leadership development at Rensselaer Polytechnic Institute mentioned that "Creating a culture that recognizes the value of differing personalities and strives to minimize conflict helps a business hold onto valuable employees." He also mentioned that a hostile work environment impacts more than the employees. "An unhappy workplace transfers to clients and horses," Allard said. "People get good customer service from happy people."

### 2.5.4 Understanding Personality Traits

The Myers-Briggs Type Indicator provides insights into people's natural tendencies for using their minds.MBTI is a self-help assessment test which helps people gain insights about how they work and learn. It is a framework for relationship-building, developing positivism, and achieving excellence.

The Myers-Briggs is one tool to help understand oneself, coworkers and employees," Allard said. "The voluntary self-assessment helps create a common language."

The MBTI questionnaire reveals a person's inborn tendencies for four main categories:

- where people prefer to focus their attention and get energy
- the way they prefer to take in information
- the way they prefer to make decisions
- the way they orient themselves to the external world—with a judging process or a perceiving process.

The Myers Briggs model of personality developed by Katherine Briggs and Isabel Briggs Myers, is established on four preferences namely −

1. Types of social interaction

2. Preference for gathering data

3. Preference for decision making

4. Style of decision making

Myers and Briggs did not intend to point out people's flaws but instead aimed to help people better understand themselves so they could live a happier life. They used four different scales in their assessment:

**What energizes people and get them excited?**

Extraversion (E): Are you a person who draws energy from the outside world of people, things, activities or interaction most of the time?If people prefer to direct their energy to cope with others, things, situations, or "the outer world", then their preference is for Extraversion.

Introversion (I): Are you a person who draws energy from the internal world of ideas, emotions or impressions most of the time? If people prefer to direct their energy to deal with ideas, information, explanations, beliefs, or "the inner world", then their preference is for Introversion.

**Where do people put most of their attention?**

Sensing (S): Do you prefer to take in information through the five senses, noticing what is here and now most of the time?If we choose to deal with facts, what we

know, to have clarity or to describe what we see, then our preference is for Sensing.

Intuition (N): Do you prefer to take in information through a "sixth sense," noticing what might be most of the time?If we choose to deal with ideas, look into the unknown, to generate new possibilities or to engage what isn't obvious, then our preference is for Intuition.

**What do people value most when making a decision or judgment?**

Thinking (T): Do you prefer organizing and structuring information and deciding in a logical, objective way most of the time?If we choose to decide on the basis of objective logic, using an analytic and detached path, then our preference is for Thinking.

Feeling (F): Do you prefer organizing and structuring information to decide in a personal, value-oriented way most of the time? If we prefer to decide using values or our personal beliefs, on the basis of what we believe is important or what we or others care about, then our preference is for Feeling.

**What do people show outwardly most of the time?**

Judging (J): Do you prefer living a planned and organized life and are strong on decision making most of the time? If we prefer our life to be planned, stable and organized then our preference is for Judging.

Perceiving (P): Do you prefer for living a spontaneous and flexible life and are strong on information gathering most of the time? If we prefer to go with the flow, to maintain flexibility and respond to things as they arise in the first place, then our preference is for Perception.

Based on how they answered questions in each category, participants receive a four letter code using one letter from each of the four categories listed above (e.g., ISTJ, ENFP). These four letter codes categorize individuals into 16 different personality types.

Personality traits do not fall under a one-size-fits-all category. Every individual has their own unique personality that helps to form their outlook on life and shapes their interactions with others.Using personality traits to form workgroups and teams can be extremely beneficial in the long run. Using personality traits and tests to form teams can help to bring together a balanced group. Observing an individual's personality multiple times may provide additional insight into how they operate. It is extremely important to utilize new found information and observations to rearrange team dynamics.

Personality traits alone cannot successfully predict behavior. Situations also play an important role in determining how an individual will act. Let's move onto the

next section to better evaluate and understand the role situations play in determining behavior and influencing personality.

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**STOP TO CONSIDER**

Do you think self-assessment test helps in gaining insights about how they work and learn?

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## 2.6 Organizational Socialization:

There is greater realization that other relevant persons, groups and organizations exercise their due role in personality development. This is commonly called the socialization process.

Socialization is especially relevant to organizational behavior, because the process is notconfined to early childhood, rather taking place throughout one's life. In particular, socialization may be one of the best explanations of why employees behave the way they do in today's organizations.

Socializations involves the process by which a person acquires, from the enormously wide range of behavioral potentialities that are open to him or her, starting at birth, those behavior patterns that are customary and acceptable to the standards of, initially, the family, and later the social group and the employing organization.

Thus, socialization starts with the initial contact between mother and her new infant. After infancy, other members of immediate family (father, brothers, sisters and close relatives or friends) followed by the social group (peers, school friends and members of the working group) play influential roles.

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**Check Your Progress**

**Q. 1: What do you mean by personality?**

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_____

**Q. 2: Write the different preferences mentioned in Myers and Briggs Theory.**

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## 2.7 Summing Up:

- The process of prediction and causation of personal and social matters have later being named as "locus of control".

- The term "Locus of Control" was suggested by Rotter in the early sixties and later became popular.
- Locus of control refers to the perception of contingencies between action and outcomes to what extent an action produces an outcome. Those who have high perception of such contingencies (believe that their actions produce outcomes) are said to be "internals" (with internal locus of control), and those who have low perceptions of contingencies (believe that the outcomes are not produced by their actions) are called as "externals" (with external locus of control).
- When an individual believes that his actions have the ability to maximize the possibilities of a good and positive outcome and minimize bad outcomes, that individual is said to have internal locus of control.
- Individuals who are at the mercy of their luck, fate and unforeseen uncontrollable factors and feel helpless all the time and usually avoid responsibility for the bad outcomes and miserable performances are said as individuals with external locus of control.
- Internality is the general orientation of a person based on the belief that he "causes" most of the phenomena, or at least can influence them. Internality is the general orientation of a person based on the belief that he "causes" most of the phenomena, or at least can influence them.
- Emotional intelligence is a form of social intelligence that involves the ability to monitor one's own and other's feelings and emotions, to discriminate among them and to use this information to guide one's thinking and action.
- Daniel Goleman popularized the term 'emotional intelligence' in 1995 in his book titled "Emotional Intelligence: Why It Can Matter More than IQ. He defined EQ as "understanding one's own feelings, empathy for the feelings of others and the regulation of emotion in a way that enhances living."
- Domains of EQ, as identified by Goleman include:
  - Know your emotions
  - Manage your Own Emotions
  - Motivate yourself
  - Recognize and understand other people's emotions
  - Managing relationships with others.
- Personality may be understood as the characteristic patterns of behavior and modes of thinking that determine a person's adjustment to the environment. It can be explained as how a person affects others, how he understands and views himself and his pattern of inner and outer measurable traits.
- Personality in organizational behavior of an individual plays an extremely important role in assessing the behavior of a person at an organization.
- Determinants of personality are: heredity, environment, family, social and situational factors.
- The Myers-Briggs Type Indicator provides insights into people's natural tendencies for using their minds. MBTI is a self-help assessment test which

helps people gain insights about how they work and learn. It is a framework for relationship-building, developing positivism, and achieving excellence.

- The Myers Briggs model of personality developed by Katherine Briggs and Isabel Briggs Myers, is established on four preferences namely −
  1. Types of social interaction
  2. Preference for gathering data
  3. Preference for decision making
  4. Style of decision making
- Socializations involves the process by which a person acquires, from the enormously wide range of behavioral potentialities that are open to him or her, starting at birth, those behavior patterns that are customary and acceptable to the standards of, initially, the family, and later the social group and the employing organization.

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**2.9 Model Questions:**

a. What do you mean by Locus of Control? Also state the internal and external causes of Locus of Control.
b. Is emotional quotient and intelligence quotient same? Justify.
c. Define personality and also state the various factors that affect the personality of an individual.
d. Discuss the Myers and Briggs theory of understanding personality traits.
e. Discuss the Mayer and Salovey Four-Branch Model of EI.

**2.10 Answer to Check your Progress:**

1. Locus of control refers to the perception of contingencies between action and outcomes to what extent an action produces an outcome. Those who have high perception of such contingencies (believe that their actions produce outcomes) are said to be "internals" (with internal locus of control), and those who have low perceptions of contingencies (believe that the outcomes are not produced by their actions) are called as "externals" (with external locus of control).

2. Internal Factors:    Ability, Effort, Race/Caste and Group Effort and

External Factors: Social System, Others, Fate and Lack/Chance.

3.Emotional intelligence is a form of social intelligence that involves the ability to monitor one's own and other's feelings and emotions, to discriminate among them and to use this information to guide one's thinking and action.Daniel Goleman popularized the term 'emotional intelligence' in 1995 in his book titled "Emotional Intelligence: Why It Can Matter More than IQ. He defined EQ as "understanding one's own feelings, empathy for the feelings of others and the regulation of emotion in a way that enhances living."

4. Intensity: Different people express emotions differently. Some people express their feeling rarely, they rarely get angry and never show rage. In contrast, there are some people who show their emotions more bluntly. When they are happy, they are ecstatic. When they are sad, they are deeply depressed. Jobs make different intensity demands in terms of emotional labour. Doctors and nurses are required to be calm when the patient is critical.

Gender and Emotions: It is assumed that women are more "in touch" with their feelings than men. Women are more prone to emotions and they are also better able to read the emotions in others. Usually, women show greater emotional expression than men, they experience emotions more intensely, and they display more frequent expressions of both positive and negative emotions.

5. Personality may be understood as the characteristic patterns of behavior and modes of thinking that determine a person's adjustment to the environment. It can be explained as how a person affects others, how he understands and views himself and his pattern of inner and outer measurable traits.
6. Determinants of personality are: heredity, environment, family, social and situational factors.

7. The Myers Briggs model of personality developed by Katherine Briggs and Isabel Briggs Myers, is established on four preferences namely −

a.  Types of social interaction

b. Preference for gathering data

c. Preference for decision making

d. Style of decision making

**Block II : Unit-III**
**Perception-Social Perception and Perceptual Selectivity, Perceptual Errors**

**Unit Structure:**
3.1 Introduction
3.2 Objectives
3.3 Perception: Concept and Definition
3.4 Perceptual Process
3.5 Role of Perception in OB
3.6 Social Perception: Concept and Definition
3.7 Mechanisms of Social Perception
3.8 Perceptual Selectivity
3.9 Perceptual Errors

## 3.1 Introduction:

"People see what they want to see and what people want to see never has anything to do with the truth."

-Roberto Baleno

People encounter various stimuli in day to day life. In practical sense, people tend to receive some and reject others. Sometimes, even when people are seeing the same thing, it is yet perceived differently by different people. Like, in the case of a flower, while some people tend to perceive the flower as beautiful, and others as ugly. The answer to it is perception, which is a cognitive factor of human behavior. Perception lies at the base of every human behavior and no human behavior can be formed without perception. This unit deals with various aspects of perception, process of perception, factors influencing perception and its application in organizational behavior. Social perception will also discuss how people tend to form impression about others and its mechanism is also been discussed at the end of the unit.

## 3.2 Objectives

After studying this unit, you will be able to:

- Define perception and discuss perceptual process;
- Explain how two people can see the same thing and yet interpret differently;
- State the factors affecting perception and how perception affects the decision making process;
- State the application of perception in specific areas to understand organizational behavior;
- Describe Social Perception and identify different mechanisms behind forming social perception.

### 3.3 Perception: Concept and Definition

Perception, in simple sense, means perceiving, i.e, the way one thinks about or understands someone or something or gives meaning to an object.

In the words of Stephen P. Robbins, "Perception is a process by which individuals organize and interpret their sensory impressions in order to give meaning to their environment. "

Fred Luthans states that "Perception is an important mediating cognitive process through which persons make interpretations of the stimulas or situation they are faced with."

Thus, perceptionis the process of receiving information about and making sense of the world around us. It is a process which involves receiving, selecting, organizing, interpreting and giving meaning to the environment. However, what one perceives can be substantially different from the objective reality. Like it is expected that a handsome salary, along with better working environment, employee benefits, autonomy and a responsible and understanding management will provide job satisfaction to the employees, yet it is not the case with every employees. It is because people's behavior is based on their perception of what reality is, not on reality itself.

People tend to understand perception and sensation as two same. But there is clear distinction between the two. Sensation may be described as the response of physical sensory organs to some stimuli. Sensation precedes perception. Sensation serves as a raw input to be processes so as to make sense out of them to perceive the environment or stimuli around us.

Perception depends upon the sensory raw data and involves a cognitive process that includes filtering, modifying or even changing these sensation raw data to make sense out of them. A simple example may be looking at an object. People see by means of their eyes, it is not our eyes but what we see and tend to see in its totality. Thus, people find that eyes enable us to see an object, i.e. sensation and what is being seen, i.e. perception.

For example:

i.    One professor may be viewed by one student as a very good and helpful professor and by another student of the same semester as a poor and rude professor.
ii.   An intern's response to a question is based on what he heard his superintendent says, but not on what the superintendent has actually said.
iii.  One portrait may be viewed by an artist is of exquisite quality and by a layman to be ordinary.
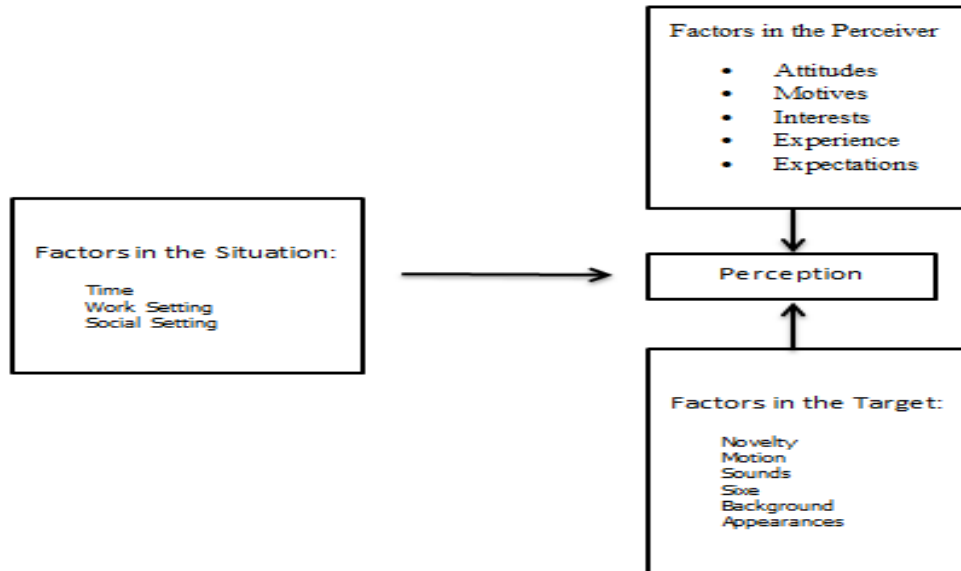
Fig: Factors that influence Perception

### 3.3.1 Nature and Purpose of Perception:

Perception is a subjective process and therefore, different people may perceive the same environment differently based on what particular aspect of the situation they chose to select and absorb.

- The very nature of perception helps in understanding the human behavior, because every person perceives the world differently. What is seen or felt is not necessarily for everyone is same. It may be because what we hear or what we see is not what it is really said, but what a person believes to perceive from it.
- The study of perception helps in predicting behavior. By understanding the present perception of an individual on a particular phenomenon, it helps in predicting the behavior in changed circumstances.
- Perception of the people regarding a particular aspect is mostly influenced by their current needs; hence study of perception helps in understanding need of various people.
- Actions, thought process, feelings and emotions are triggered by the perception of the surrounding.
- Perception though is an automatic process and works in the same way within each individual; it generates different perceptions for different people.

Thus, perception helps in understanding, predicting and controlling the behavior of an individual by categorizing the information so that interpretations can be drawn accurately.

People's behavior is based their perceptions of what reality is, not on reality itself, thus the world as it perceived is the world that is important for understanding human behavior.

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**STOP TO CONSIDER**

Do you think factors like perceiver, situation and target affect perception of an individual? On what capacity, according to you perception helps in categorizing various information?

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## 3.4 Perceptual Process

People often see the same phenomenon differently. Let's say, in relation to a strike a manager may perceive the immediate cause of the strike is trivial whereas, the workers may see it a very serious issue. When people change their roles, they begin to see things differently. When a worker is promoted to be a supervisor, his perception of the same world changes.

Perception is the source of one's knowledge of the world. One wants to know the world and the surrounding environment. Without knowledge, one cannot act effectively. To be precise, perception is the main source of such knowledge. Thus, perception is defined as *the process of receiving, selecting, organizing, interpreting, checking and reacting to sensory stimuli or data.* As the above definition of perception includes several processes of perception composition, the same are explained as under:

### 3.4.1 The Process of Receiving Stimuli:

The first process in perception is the reception of stimuli or data from various sources. Most data is received through the sense organs. One sees things, hears them, smells or tastes things or touches them and so learns other aspects of things.

One receives data eagerly from some sources other than from others.. For example, if a person of high status meets and talks to someone in the organization, the latter will listen to him more carefully. The source of having higher position, high status or being closer or having high credibility is usually perceived as more important and may favorably influence perceptions as compared to other source.

### 3.4.2 The Process of Selecting Stimuli:

After receiving the stimuli, some of them are selected as it is not possible to pay attention to all the stimuli received. In order to economize on the use of attention diverted, the stimuli are screened and selected for further processing. Two sets of factors govern the selection of stimuli i.e., internal and external.

*External Factors influencing Selection***:**

a) Intensity: Stimuli which are higher intensity are perceived more than those which are low in intensity. Advertisements make good use of this factor. For instance, advertisements which are displayed with brighter lights attract more attention.
b) Size: Objects of larger size attract more attention. Larger things are perceived faster.
c) Contrast: Things which are different from what one is familiar with will attract attention quickly. For instance, a worker who is quite different from other workers stands out.
d) Movement: Things which are in motion attract more attention than those which are stationary.
e) Repetition: Things which are repetitive in nature, attract more attention. Advertisers usually use this factor to their advantage. From time to time the same advertisement is displayed even when the product may not be in the market at a particular moment. Such repetitions keep the product in the attention of the people.
f) Familiarity: Things which are familiar to one attract more attention. This is true particularly when certain things are not expected in a particular context.
g) Novelty: Things which are new also attract attention. When one is attuned to a familiar context, novelty attracts attention.

*Internal Factors influencing Selection:*

a) Psychological need: An individual's psychological needs influence his perception. Even those things are "seen" which may not exist, like a thirsty man may see water in many places, because of psychological needs.
b) Background: Persons with particular background look for people with similar background.
c) Experience: Experience prepares a person to look for people, objects and things which may be similar to his personal experience.
d) Personality: A person with introvert personality may be attracted to people who are either similar to or quite different. People with different attitude and beliefs also influence perception.
e) Self-acceptance: Self-acceptance is an important characteristic which influences perception. Those who have high self-acceptance perceive things more accurately than those who have low self-acceptance.

### 3.4.3 Organizing Process

After the data or stimuli have been received, there are organized in some form. In order to make some sense out of the data received, it is necessary to organize them. There are three main dimensions of the organization of stimuli.

a) Grouping: Grouping is based on the similarity or proximity of various stimuli perceived. The tendency to group stimuli, i.e. people or things appearing similar has been a common means of organizing the perception.
b) Closure: When people face with incomplete information, they tend to fill up the gaps themselves to make it more meaningful.

c) Simplification: When people find themselves overloaded with information, they try to simplify it to make it more meaningful and understandable.

### 3.4.4 The Process of Interpreting

After the data have been received and organized, the perceiver interprets the data in various ways. Perception has taken place after the data are interpreted. The factors that contribute to the interpretation of data:

- Perceptual Set
- Stereotyping
- Halo Effect
- Perceptual defence
- Contextual Factors

### 3.4.5 The Process of Checking

After the data have been received and interpreted, the perceiver takes some steps of checking whether his interpretations are right or wrong. The process of checking may be too fast and the person may not be aware of it. The data or impressions may be checked by asking other people about their perceptions as well. The process of checking is more in the form of feedback about one's own perception.

### 3.4.6: The process of Reacting

The last phase of perceptual process is that of acting in relation to what has been perceived. The cycle of perception is not complete unless it leads to some action and such actions may be covert or overt. The covert action takes the form of the formation of opinions or attitudes, and the overt form of action is a definite action in relation to the perception.

### 3.5 Role of Perception in OB

The word 'organization', among other things, implies where host of individuals work together for achieving the organizational and individual goals. In this process, they are always judging each other on a continuous basis. One tries to evaluate how much effort his/her co-worker is putting into his/her job. The perceptual process, judges others largely based on how he/she perceives them and hence, influence decision making. Perception, thus, in many cases have effect on organization. Let us discuss some of the obvious applications of perception in OB:

a. **Employee Interview:** Few people are hired without an interview. But interviewers make perceptual judgments that are often inaccurate. Different interviewers attempt to see different things in the same person/candidate and hence, arrive at different perceptions about the same person. Most interviewers' decisions change very little after the first few minutes of an interview and as a result, information elicited early in the interview carries greater weight than does information elicited later, and a "good applicant" is

probably characterized more by the absence of unfavorable characteristics than by the presence of favorable ones.

b. **Performance Appraisal:** An evaluator's perception is mostly considered while assessing the performance of an employee. The future of an employee's career mostly is dependent on performance appraisal, which includes his increments, pay, promotion and his continuation of job in the enterprise. Although the appraisal can be objective, many jobs are evaluated in subjective terms. Subjective evaluations, even necessary, are problematic because of the errors like selective perception, contrast effects, halo effects, and so on affect the appraisal outcome.

c. **Performance Expectations:** People attempt to validate their perceptions of reality even when these are faulty. New employees during their selection process acquire a set of expectations both about the organization and about the job he is expecting to achieve. In case of big difference between what is expected and what actually acquired, results in increased employee absenteeism and turnover. If a manager expects big things from his subordinates, they are not likely to let him down, in those cases, expectations sometimes become reality.

d. **Employee Effort:** In most of the organizations, where employee performance is given high importance, in those enterprises, an employee's future in the organization depends on his/her effort in achieving the organizational goals of the enterprise. Assessment of performance is subjective judgment and hence, it is prone to errors and bias as well.

e. **Employee Loyalty**: Managers also try to assess whether an employee is loyal or not. Like performance/effort assessment is a subjective judgment susceptible to perceptual errors and distortions.

f. **Conflict Management**: The perceptions of an employee have of others even overflow into the workplace & cause conflict with other co-workers.

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**Check Your Progress**

**Q. 1: What is Perception?**
_____
_____

**Q.2: What are the various factors affecting perception?**
_____
_____

**Q.3: Write the internal and external factors affecting selection of stimuli.**
_____
_____

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### 3.6 Social Perception: Concept and Definition

Social perception refers to the ability to make accurate interpretations and inferences about other people from their general physical appearance, verbal, and nonverbal patterns of

communication. Things like facial expressions, tone of voice, hand gestures, and body position or movement are all cues people with higher levels of social perception pick up on to work out what other people are thinking, feeling or are likely to do next (Aronson et al, 2010). Thus, social perception refers to the processes through which one use available information to form impressions of other people, to assess what they are like.

We in general, remember the day when we have met our closest friend. We have got the sense of what our closest friend be of like, and how well we have got together. Most of the time our impressions are correct; however in some cases we were proved wrong as well.

Now if we consider that we have not met the person but we have been represented how the person be like with the use of some of their traits. For example, we have been told a person is having the following traits:

*Intelligent- smart – determined – warm – practical – energetic*

How easily you have created an impression this time? Did you reach the conclusion the same way when you met your closest friend?

In the above condition, by learning the traits of the person, we can form an impression by saying that the person mentioned above is smart and full of energy and at the same time kind; we can say the person is democratic or consultative in nature. Typically, we can say that a person who thinks in certain things to be right, wants others to see his point and be sincere in his/her arguments and would also like his/her point won.

If any of the word mentioned is changed, say the word 'warm' with 'cold', the impression will change and we might develop an impression that the person is not only intelligent but can be rough as well, we can say the person is more authoritative in nature. Typically, we can say that a rather snobbish person who feels that his success and intelligence set him apart from the rest. He is calculative and unsympathetic.

With the help of social perception, we make sense of other people. Social perception is the process through which we seek to understand other people.

The contemporary approach to social perception derives from research conducted by Asch (1946). What struck Asch was how rapidly we seem to arrive at impressions, despite the diversity of information that has to be combined. How, then, do we construct a unified picture of someone's personality from different pieces of information?

Thus, social perception can be referred to the first stages in which people process information in order to determine another individual's or group's mind-set and intentions. These early stages help interpret each other's actions so that additional information can be quickly inferred in order to predict behaviour.

### 3.7 Mechanisms of Social Perception

People use various techniques, methods and ways to know about others in order to get deeper understanding of the people. People try to simplify complex flow of information by putting people into different categories. With the help of this kind of classifications it helps various objects and events to put into similar groups. This classification of information helps serving the knowledge function of attitude.

Mechanism of social perception includes: non-verbal channels of communication, internal and external attributions, impressions and implicit theory of about people.

### 3.7.1 Non-verbal channels of communication

People tend to act differently when they are happy or sad. They behave differently when they experience different emotional states. This brings us to basic channels of communication through which communications takes place and there are five basic channels, which includes:

1. ***Facial Expression:*** Facial expressions are responsible for having major proportion of our communication. Roman Orator Cicero, more than more than two thousand years stated that "the face is the image of the soul" which means human feelings and emotions are often reflected in the face and modern research asserts these feelings. Early research suggest that facial expressions are universal (Ekman and Friesen 1975) but the result of more recent study, (Russell 1994, Carroll 1996) indicate that although facial expressions are indeed universal, our judgments of these emotions may also be affected by the context and various situational cues.

2. ***Eye Contact:*** It is said that "the eyes are windows of the soul". Constant eye contact usually makes us uncomfortable, whereas at the same time, when someone does not maintain 'eye contact', the conversation does not become effective as well. Human eyes are very powerful 'cue' reflecting feelings and we do often learn about others feelings from their eyes. While a high level of eye contact with others is usually interpreted as a sign of liking or positive feelings, a stare is often interpreted as a sign of anger or hostility and many people find this non-verbal cues very disturbing.

3. ***Body Language (Gestures, postures and movement)***: Emotions always include physiological arousal and changes. Every emotion has a relatively same set of physiological reactions which have come to us by evolution.
   For example: when you are shy, your cheeks become red, and you feel utter discomfort, at the same time when you are afraid, your legs start shivering but you are ready to run or faint. When you are sad, your face becomes pale, and you have a drained down feelings. When you are angry, your face becomes red and you are ready

to fight. These postures, gestures and body movements together are termed as body language. Body language often reveals other's emotional states.

4. **Body Movement:** More specific information is also provided by gestures. Gestures fall into several categories; the most important are emblems- body movement carrying specific meaning in a given culture. These movements have a clear and definite meaning in one culture but in other culture, they may not have any meaning. People have to be careful with their gestures while travelling in different cultures as you might offend others without meaning to do so.

5. **Touching and Proxemics:** A lot depends on the meaning we assign to the nature of this physical contact and the context in which it occurs. Evidence indicates that when touching is considered appropriate, it often produces positive reactions in the person being touched. One acceptable way in which people in many different cultures touch strangers is through handshake. Another important type of non-verbal communication is their need for "personal space." The amount of distance that is needed and the amount of space we perceive as belonging to us is influenced by a number of factors including social norms, cultural expectations, situational factors, personality characteristics, and level of familiarity.

A practical applicability of the non-verbal cues is recognizing deception or lie detection. When people lie, subtle changes often occur in their facial expressions, body posture or movements and certain non-verbal aspects of speech.

### 3.7.2 Attributions

Our perceptions of people differ from those of inorganic objects such as machines, buildings, etc. because we are able to make inferences about the actions of people unlike non-living objects. It is imperative that, non-living objects are subjected to laws of natures and they do not have beliefs, motives or intentions but people do have.

The attribution theory proposes to develop explanation of the ways in which we judge people differently depending upon what meaning we attribute to a given behavior. The theory suggests that, on observing an individual's behavior, we try to determine whether it was internally or externally caused. That determination largely depends upon:

- Consensus
- Consistency
- Distinctiveness

Internally cause behaviors are those that are under the personal control of the individual. Externally caused behaviors result from outside cause. When everyone is faced with a similar situation and responds in the same way, it means the behavior shows consensus. Consistency of a person lies in the response which is the same way over different times. The more consistent the behavior as well as the more is the consensus, the more is the observer inclined to attribute both to the internal causes. Distinctiveness means whether an individual displays different behaviors in different situations. Depending upon whether the behavior is usual or unusual, the observer gives the behavior an external or internal attribution. The attribution theory incorporated what are known as errors as biases that distort attributions. The tendency to underestimate the influence of external factors and overestimate the influence of internal

factors results in causing fundamental attribution errors when making judgments about the behavior of others. Similarly, the tendency for individual to attribute their own success to internal factors while casting the blame for failures on external factors results in self-serving bias.

### 3.7.3 Impression Formation

The moment we look at a stranger, the process of impression formation starts,although we are not aware of such a process, we end up either forming positive or negative impression about others. We look at a person and immediately a certain impression of his/her character forms itself before us. A glance, a few spoken words are sufficient to start a story about that person. Forming first impressions seems to be relatively effortless. Impressions are formed by adding together the traits we observe in other persons. We perceive these traits in relation to other so that these traits cease to exist individually but become the part of an integrated whole.

The impression formation process has been explained by understanding-

- Role of central traits.
- The issue of adding versus averaging information.
- The primacy or recency of information.

**Central traits:** when impressions are being formed of another personsome pieces of information carry greater weight than others and areable to modify the whole picture. Such influential characteristic as central traits and showed that 'warm' or 'cold'dimension was a central one that could strongly affect the organisation of people's impression.

**Adding versus Averaging Information:**Social psychologists have developed two basic models to explain how this kind of information is combined.The additive model and the averaging model. Both the additive and the averaging models begin by assuming that traits can be sealed in their likeability. Some traits convey very favourable information about a person, while others indicate negative information. The averaging model claims that we use the mean value of the traits provided to form our impression of a person.

The additive or summation model in contrast, predicts that one's judgement is based on the sum of the traits values rather than on the average. Therefore the majority of evidence is supportive of averaging model.

**Primary and Recency Effect**: As said earlier we want to make the best possible impression on others at our first meeting some new relatives. Now the question is which information is more influential the first information in another person's perception of us (primacy effect) or the latest information (recency effect). It was found first impressions are lasting? i.e. primacy effect apparently very important in determining our final impressions of other's. However under certain conditions recency effects also occur, i.e. some additional activity intervenes and influences the more recent information.
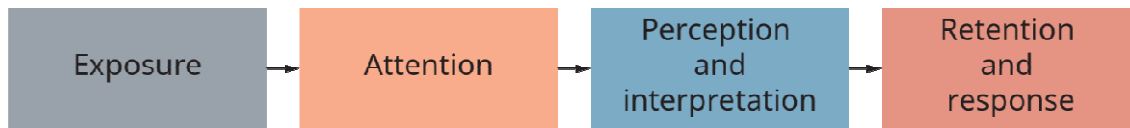
## 3.8 Perceptual Selectivity

How much of we see is determined on our expectations? Look in front of you. And look at your hand and now look at the cover of your book. If you are like most of the people, it is expected that your perception is heavily influenced by what you expect to see. Even if we have multiple things in front of our eyes, it is hard to view the things without having a pre-conceived notion. One may think that he is totally unbiased while viewing a particular thing, but as will become clear, it is nearly impossible for the people to avoid biases in perception. Instead people selectively perceive what they expect and hope to see.

Any characteristics that make a person, object or a phenomenon stand out, we are more prone to perceive. It is usually impossible to assimilate everything we see; we can collect only certain stimuli. We can't observe everything going on about us; we select only bits and pieces. Like we notice the cars more, which are familiar to us. Perceptual selectivity refers to the process by which individuals select objects in the environment for attention. Without this ability to focus on one or a few stimuli instead of the hundreds constantly surrounding us, we would be unable to process all the information necessary to initiate behavior.

For example, while conducting a tour in the factory, two managers came across a piece of machinery, the first one has seen that the machine has stopped, while the other one have noticed the worker who is fixing the machine. Even though the managers were represented with the similar situation, they perceive the situations differently. Another example we can say that two person has been presented with a glass filled with half amount of water only, one may see it as half full, the other might see it a half empty. It is because we don't choose our stimuli randomly, but based on our background, experience, lifestyle, opinions and attitudes, we perceive things differently. Selective perception allows us to speed read others, but not without the risk of drawing an inaccurate picture. Seeing what we want to see, we can draw unwarranted conclusions from an ambiguous situation.

The examples given earlier, show that once the attention has been captured, it is most likely to be retained in the memory of the individual and select an appropriate response to the stimuli. The various influences on the selective attention can be divided into external influences and internal influences.

**Fig: The Process of Perceptual Selectivity** (Attribution: Copyright Rice University, OpenStax, under CC BY-NC-SA 4.0 license)

### 3.8.1 Personal and External Influences of Selective Perception

### 3.8.1.1 External Influences

I. Size: Size implies how big or small the stimuli. People tend to quickly receive the stimuli which are large in size. There is a greater possibility of the perception of such stimuli is received. For example: people tend to see the hoardings or big lettered advertisements more than the small sized advertisements printed.

II. Intensity: Intensity means that some stimuli are brighter, louder, stronger in odour and more colourful than the others. Somebody gets attracted to a loud sound than a lower sound. For example a colourful packaging, louder voice attracts the recipients more.

III. Repetitions: People tend to recall the things they are more frequently exposed to. Repetition factor indicates that the repetition of stimuli has a particular attraction. Advertisers display their advertisements frequently for effective customer acquisition.

IV. Motion: People get attracted to a moving product more than a static product. Moving stimuli gets more attraction than fixed stimuli. We tend to get attracted to a moving car more than a static car.

V. Contrast: Every stimulus is looked at in the context of its background. Background means the group of which the stimulus happens to be a part. If a member of a group appears to be different from the other members, the perceiver will be attracted towards it.

### 3.8.1.2 Internal Influences

I. Self-Concept: Self-Concept means as to what extent we know ourselves and how confident we are for ourselves. The self-concept of a person helps in formulating his concept about the stimuli. For example, Aman went for an interview, if his self-concept doubts his ability, he will fear the stimuli/interview. Whereas, if he is confident, he will accept the stimuli more happily.

II. Belief:

III. Needs

IV. Expectations

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**Check Your Progress**

**Q. 1: What is Perceptual Selectivity?**

_____

_____

**Q.2: What are the internal and external factors of selection of perception?**

_____

_____

_____

### 3.9 Perceptual Errors

Process of attaining awareness and understanding of sensory information is known as perception. It is a process by which individuals organize and interpret their sensory information to give meaning to a situation. But sometimes, it becomes difficult to judge most accurately and hence, creating errors in perception.

The types of perceptual errors include:

I.   **Halo Effect**: Drawing a general impression about an individual based on single characteristics or trait is called halo effect. Here a single trait dominates the other characteristics of an individual. It has an important implication for understanding or evaluating an employee in the organization. An employee, based on halo effect, may be rated as bad in one trait, but good in other traits.

In day to day life we are influenced by halo effect when we think that a single trait is associated with a number of other desirable qualities. A person is evaluated favorably or unfavorably merely on the basis of his/her individual attributes. It is deemed that those who are attractive are mostly smart people, whereas those who have warm dispositions are deemed to be friendly and funny and those who are intelligent are deemed to have leadership capabilities.

II.  **Attribution:** An attribution is the causal explanation given for an observed behavior. Explaining the human behavior in terms of cause and effect is called 'attribution.' Attributing causal explanation to a particular human behavior, however, sometimes tends to distort perception. For example, a poor worker has done overtime on any day, the action or behavior is perceived as being for money, whereas, if a prosperous worker does overtime on any day, it is perceived that he has done it in the interest of the organization.

III. **Stereotyping:** When individuals are judged on the basis of the characteristics of the group to which they belong, this is called 'stereotyping'. People tend to classify others and events into already known general categories or groups. People put others into a convenient category on the basis of some characteristics is known as stereotyping. Most stereotypes have favorable and unfavorable traits. 'Older workers cannot learn new skills', 'over-weight people lack discipline', 'workers are anti-management' are some of the common examples of stereotypes.

IV.  **Contrast Effect:** Contrast effect is an unconscious bias that happens when two things are judged in comparison to one another, instead of being assessed individually. Contrast error usually occurs when individual starts to evaluate other individual's characteristics that are affected by comparisons with other people recently encountered who rank higher or lower on the same.

V.   **Projection:** Projection implies to the tendency of the people to see their own traits in other people. It means that when people make judgments about others, they project their own characteristics into others. As people use to say 'a good person sees good in others as well' and 'a bad person will only see negatives in others'. When people see and assume similarity in situations, they tend to judge it more easily.

VI.    **Impressions:** People tend to have impression about others in their first meeting itself, and that is why it has been said that 'first impression is the last impression.' Before even knowing the persons, people make impressions and judgments about others, which might lead to perception distortion. For example: first benchers in school are considered as obedient students, whereas the last benchers are considered disobedient students.

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**STOP TO CONSIDER**

Do you think perception is always error free? Do we have biases in judgment? What is your opinion?

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**Check Your Progress**
Q. 1: Write short not on:
a. Halo Effect
_____
_____
b. Stereotyping
_____
_____

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**3.10 Summing Up**
- Perception is a process by which individuals organize and interpret their sensory impressions in order to give meaning to their environment.
- Perceptionis the process of receiving information about and making sense of the world around us. It is a process which involves receiving, selecting, organizing, interpreting and giving meaning to the environment.
- Perception is the source of one's knowledge of the world. One wants to know the world and the surrounding environment. Without knowledge, one cannot act effectively. To be precise, perception is the main source of such knowledge. Thus, perception is defined as the process of receiving, selecting, organizing, interpreting, checking and reacting to sensory stimuli or data.
- The perceptual process, judges others largely based on how he/she perceives them and hence, influence decision making. Perception, thus, in many cases have effect on organization. Perception has its impact on employee interview, performance appraisal, performance expectations, employee effort, employee management and conflict management.
- Social perception refers to the ability to make accurate interpretations and inferences about other people from their general physical appearance, verbal, and nonverbal patterns of communication.

- Things like facial expressions, tone of voice, hand gestures, and body position or movement are all cues people with higher levels of social perception pick up on to work out what other people are thinking, feeling or are likely to do next.
- Mechanism of social perception includes: non-verbal channels of communication, internal and external attributions, impressions and implicit theory of about people.
- Perceptual selectivity refers to the process by which individuals select objects in the environment for attention. Without this ability to focus on one or a few stimuli instead of the hundreds constantly surrounding us, we would be unable to process all the information necessary to initiate behavior.
- Process of attaining awareness and understanding of sensory information is known as perception. It is a process by which individuals organize and interpret their sensory information to give meaning to a situation. But sometimes, it becomes difficult to judge most accurately and hence, creating errors in perception.
- Types of errors include halo effect, attribution, stereotyping, contrast effect, impression, projection etc.

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**3.12 Model Questions**

    I.      What is perception and what are the factors influencing perception?
   II.     Describe the link between perception and individual decision making.
  III.    Explain the actual decision making process of an organization.
  IV.    Elucidate the frequently used shortcuts in judging others.
   V.    Write short notes on :

   a) Halo effect.
   b) Organizational constraints
   c) Ethics in decision making.

**3.13 Answer to Check Your Progress**

1. Perception is the process by which individuals organize and interpret their sensory impressions in order to give meaning to their environment.

2. Perceiver : Attitudes, motives, Interests,Experience, Expectation
   Situation: Time, work setting, social setting
   Target: Novelty, motion, sound, size, backgrounds, proximityand similarity.

3. External Factors influencing Selection:
        Intensity, Size, Contrast, Movement, Repetition, Familiarity, Novelty
   Internal Factors influencing Selection:
        Psychological need, Background, Experience, Personality, Self-acceptance

4. Social perception refers to the ability to make accurate interpretations and inferences about other people from their general physical appearance, verbal, and nonverbal patterns of communication. Things like facial expressions, tone of voice, hand gestures, and body position or movement are all cues people with higher levels of social perception pick up on to work out what other people are thinking, feeling or are likely to do next.

5. The attribution theory proposes to develop explanation of the ways in which we judge people differently depending upon what meaning we attribute to a given behavior. The theory suggests that, on observing an individual's behavior, we try to determine whether it was internally or externally caused. That determination largely depends upon:
   - Consensus
   - Consistency
   - Distinctiveness

6. Perceptual selectivity refers to the process by which individuals select objects in the environment for attention. Without this ability to focus on one or a few stimuli instead of the hundreds constantly surrounding us, we would be unable to process all the information necessary to initiate behavior.

7. External Influences:
        Size, Intensity, Repetitions, Motion, Contrast
   Internal Influences:
        Self-Concept, Belief, Needs, Expectations

8. Drawing a general impression about an individual based on single characteristics or trait is called halo effect. Here a single trait dominates the other characteristics of an individual. It has an important implication for understanding or evaluating an employee in the organization. An employee, based on halo effect, may be rated as bad in one trait, but good in other traits.

9. When individuals are judged on the basis of the characteristics of the group to which they belong, this is called 'stereotyping'. People tend to classify others and events into already known general categories or groups. People put others into a convenient category on the basis of some characteristics is known as stereotyping.

**Perceptual Organisation—Impression Management – Attribution in Organisation**

**Unit Structure :**

## 4.1 Introduction

Personality do not mean positive attitude towards life, charm, welcoming, smiling face. According to psychologists, personality is a complex and dynamic concept which describes a person's growth and development of whole psychological system. Personality can be said as 'how' or ways in which an individual reacts and interacts with other individual.

## 4.2 Objectives

This unit is an attempt to study about the personality, perception and attribution aspects. After going through this unit you will be able to-

- Know about the perceptual organization
- Study about Impression management
- Get an idea about attribution in management
- Theory and Errors.

## 4.3 Defining Personality

Gordon Allport describes personality as, "The dynamic organization within the individual of those psychophysical system that determines his unique adjustments to his environment".

### 4.3.1 Factors that Influence Personality

The following are the factors that influence our personality:

- Heredity: There are some characteristics that we inherit. Some of these traits are height, complexion, body structure, intellectual capability, thinking ability, aptitude, etc.
- Family Background: Family background largely have an influence on an individual's personality because the education level of parents, economic condition of parents, social affiliation of the family, upbringing, behavior of other family members, etc greatly influences a child's personality.
- Nature of People among our surroundings: The people of people we are surrounded with, people that we generally interact, deal with, work also influences one's personality as because these are the type of people that one is surrounded with and have an impact on one's behavior.
- Culture: Culture embeds value, criticalthinking, heritage,connection with roots, social affiliation, etc. Culture actually shapes one's mind into more strong personality. The more cultural and historical knowledge you have, the more you get the ability to analyze a dimension to its deep logic.

### 4.3.2 The Myers-Briggs Type Indicator

The Myers-Briggs Type Indicator (MBTI) is the most widely used personality-assessment instrument in the world. It is a 100-question personality test that asks people how they usually feel or act in particular situations. Respondents are classified as extraverted or introverted (E or I), sensing or intuitive (S or N), thinking or feeling (T or F), and judging or perceiving (J or P).These terms are defined as follows:

- Extraverted (E) versus Introverted (I)- Extraverted individuals are outgoing, sociable and assertive. Introverts are quiet and shy.
- Sensing (S) versus Intuitive (N)- Sensing types are practical and prefer routine and order. They focus on details. Intuitive rely on unconscious processes and look at the "big picture".
- Thinking (T) versus Feeling (F)- Thinking types use reason and logic to handle problems. Feeling types rely on their personal values and emotions.
- Judging (J) versus Perceiving (P)- Judging types want control and prefer their world to be ordered and structured. Perceiving types are flexible and spontaneous.

These classifications together describe 16 personality types, identifying every person by one trait from each of the four pairs. For example, Introverted/Intuitive/Thinking/Judging people (INTJs) are visionaries with original minds and great drive. They are skeptical, critical, independent, determined and often stubborn. ESTJs are organizers. They are realistic, logical, analytical and decisive and have a natural head for business or mechanics. The ENTP type is a conceptualizer, innovative, individualistic, versatile and attracted to entrepreneurial ideas.

This person tends to be resourceful in solving challenging problems but may neglect routine assignments.

The MBTI has been widely used by many top organizations in different sectors. Evidence is mixed about its validity as a measure of personality, however; most of the evidence is against it. One problem is that it forces a person into one type or another; that is, you are either introverted or extraverted. There is no in-between, though in reality a person can be both extraverted and introverted to some degree. The best we can say is that the MBTI can be a valuable tool for increasing self-awareness and providing career guidance.

### 4.3.3 The Big Five Personality Model

The MBTI may lack strong supporting evidence, but an impressive body of research supports the thesis of Big Five Model – that five basic dimensions underlie all others and encompass most of the significant variation in human personality. Moreover, test scores of these traits do a very good job of predicting how people behave in a variety of real life situations. The following are Big Five factors:

- Extraversion- The extraversion dimension captures our comfort level with relationships. Extraverts tend to be gregarious, assertive and sociable. Introverts tend to be reserved, timid and quiet.
- Agreeableness- The agreeable dimension refers to an individual's propensity to defer to others. Highly agreeable people are cooperative, warm and trusting. People who score low on agreeableness are cold, disagreeable and antagonistic.
- Conscientiousness- The conscientiousness dimension is a measure of reliability. A highly conscientious person is responsible, organized, dependable and persistent. Those who score low on this dimension are easily distracted, disorganized and unreliable.
- Emotional Stability- The emotional stability dimension- often labeled by its converse, neuroticism- taps a person's ability to withstand stress. People with positive emotional stability tend to be calm, self-confident and secure. Those with high negative scores tend to be nervous, anxious, depressed and insecure.
- Openness to Experience- The openness to experience dimension addresses range of interests and fascination with novelty. Extremely open people are creative, curious and artistically sensitive. Those at the other end of the category are conventional and find comfort in the familiar.

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**Self Asking Question**
Question 1. Do you think that different individuals perceive an occurrence or an event in different ways or in similar ways? Explain.

## 4.4 Perception

Perception is a process by which individuals organize and interpret their sensory impressions in order to give meaning to their environment. It must be made clear that what we perceive may be totally different from the reality. Different individuals may have different perceptions.

Perception is the result of how one analyzes an action, happening, occurrence to the environment.

How one perceives is the core essence, as because this will call for following actions and reactions.

### 4.4.1 Factors that Influence Perception

Following are the factors that influence perception:

- Factors in the perceiver- Attitudes
    Motives
    Interests
    Experience
    Expectations
- Factors in the target- Novelty
    Motion
    Sounds
    Size
    Background
    Proximity
    Similarity
- Factors in the situation- Time
    Work setting
    Social setting

**Factors in perceivers**

Attitude- Attitude of the perceiver greatly affects, as because one may have is favorable and positive attitude that works well with the organization and perceived in a positive way but, on the other hand one may have negative attitude towards the management or the organization that results into an unfavorable circumstance that is not perceived well.

Motive- An employee with high motive and regards will have a perception towards the organization that is welcoming and the management will also perceive it on good books but, low motive and desire will have an opposite impact and perception on the employee by the colleagues, management so to say the organization at large.

Interests- One also perceives different dimensions with its level of interest associated with it. The interest attached shapes one's perception.

Experience-The level of experience of individuals affects the perception in different ways. For example, a highly experienced employee may perceive an unfavorable condition for its organization just a matter of time to pass by but, an employee with less experience may perceive it as a worrying situation for his career.

Expectation- People usually tend to perceive positive expectation and associate with it but when the expectation is not as expected then the perceiver's state of mind changes to a complete different perception.

**Factors in the target**

Novelty- The novelty factor in the target refers to the new, original, and unusual.

Motion- Motion refers to the movement of the target or action of process being moved. For example, it simply does not mean movement of a car and what's an individual's perception on this. Motion here can be explained as suppose, the perception of members of parliament when a new bill was introduced related to the farmers in both the houses of parliament.

Sounds- The sound attached have different dimensions usually high and low on the perception with regard to the target.

Size- Size is also a factor that influences perception usually the two extreme points.

Background- The background of the target influences perception as because the background is the pivotal element that perception is linked with.

Proximity- The distance associated with determines the perception of an individual. An object that is distant will be perceived in certain way as compared to an object which is near.

Similarity- Similarity and the dis-similarity of the target affect the perception to a great extent.

**Factors in the situation**

Time- The time is a crucial factor as because the perceiver encounters the target at what time has an impact on the perception. For example, the encounter may at a busy time, normal time, free time, etc.

Work setting- A situation where the work setting is proper may influence a positive perception and vise versa.

Social setting- The social setting influences individuals to perceive a situation on different ways. It may have an impact where the social setting is such that it paves way for perception and ignite the mind of the individual to behave in a certain way and perceive it in a way in line with the social setting.

**Self Asking Question**

Question 1. Do you think that different individuals perceive an occurrence or an event in different ways or in similar ways? Explain.

**Check Your Progress**

Question 1 What do you mean by perception ?

Question 2 What are the factors that influences perception ?

## 4.5 Perceptual Organization

Perceptual Organization can be defined as a process which tend to group the visual element which makes it easy in a way to get to know the meaning of visual as a complete whole. Perceptual Organization is important because people see the things at a rapid pace and perceptual organization allows to get the sense of the whole thing and leads the viewer to meaningful conclusion as the case may be.

### 4.5.1 Gestalt Laws

Developed by German psychologists, the Gestalt laws describe how we interpret the complex world around us. They explain why a series of flashing lights appear to be moving. And why we read a sentence like this. These are just a few real-lie examples of the Gestalt laws.

Gestalt psychology focuses on how our minds organize and interpret visual data.[2] It emphasizes that the whole of anything is greater than its parts.

Based upon this belief, Wertheimer along with Gestalt psychologists Wolfgang Kohler and Kurt Koffka, developed a set of rules to explain how we group smaller objects to form larger ones (perceptual organization). They called these rules the Gestalt Laws.

**Law of Similarity**

The law of similarity states that similar things tend to appear grouped together. Grouping can occur in both visual and auditory stimuli.

**Law of Pragnanz**

The law of pragnanz is sometimes referred to as the law of good figure or the law of simplicity. This law holds that when you're presented with a set of ambiguous or complex objects, your brain will make them appear as simple as possible.

**Law of Proximity**

According to the law of proximity, things that are close together seem more related than things that are spaced farther apart.

**Law of Continuity**

The law of continuity holds that points that are connected by straight or curving lines are seen in a way that follows the smoothest path. In other words, elements in a line or curve seem more related to one another than those positioned randomly.

**Law of Closure**

According to the law of closure, we perceive elements as belonging to the same group if they seem to complete some entity. Our brains often ignore contradictory information and fill in gaps in information.

**The Law of Common Region**

The Gestalt law of common region says that when elements are located in the same closed region, we perceive them as belonging to the same group.

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**Check your progress**

Question1. What do you understand by perceptual organization ?

Question2. Explain the Gestalt Law.

## 4.6 Impression Management

Impression management is a conscious or subconscious process in which people attempt to influence the perceptions of other people about a person, object or event by regulating and controlling information in social interaction. It was first conceptualized by Erving Goffman in 1959 in *The Presentation of Self in Everyday Life,* and then was expanded upon in 1967.

Impression management behaviors include accounts (providing "explanations for a negative event to escape disapproval"), excuses (denying "responsibility for negative outcomes"), and opinion conformity ("speak(ing) or behav(ing) in ways consistent with the target"), along with many others. By utilizing such behaviors, those who partake in impression management are able to control others' perception of them or events pertaining to them. Impression management is possible in nearly any situation, such as in sports (wearing flashy clothes or trying to impress fans with their skills), or on social media (only sharing positive posts). Additionally, impression management theory can be used with both benevolent and malicious intent.

Impression management is usually used synonymously with self-presentation, in which a person tries to influence the perception of their image. The notion of impression management was first applied to face-to-face communication, but then was expanded to apply to computer-mediated communication. The concept of impression management is applicable to academic fields of study such as psychology and sociology as well as practical fields such as corporate communication and media.

### Theory

### Motives:

A range of factors that govern impression management can be identified. It can be stated that impression management becomes necessary whenever there exists a kind of social situation, whether real or imaginary. Logically, the awareness of being a potential subject of monitoring is also crucial. Furthermore, the characteristics of a given social situation are important. Specifically, the surrounding cultural norms determine the appropriateness of particular nonverbal behaviours The actions have to be appropriate to the targets, and within that culture, so that the kind of audience as well as the relation to the audience influences the way impression management is realized. A person's goals are another factor governing the ways and strategies of impression management. This refers to the content of an assertion, which also leads to distinct ways of presentation of aspects of the self. The degree of self-efficacy describes whether a person is convinced that it is possible to convey the intended impression.

A new study finds that, all other things being equal, people are more likely to pay attention to faces that have been associated with negative gossip than those with neutral or positive associations. The study contributes to a body of work showing that far from being objective, human perceptions are shaped by unconscious brain processes that determine what they "choose" to see or ignore—even before they become aware of it. The findings also add to the

idea that the brain evolved to be particularly sensitive to "bad guys" or cheaters—fellow humans who undermine social life by deception, theft or other non-cooperative behavior.

There are many methods behind self-presentation, including self disclosure (identifying what makes you "you" to another person), managing appearances (trying to fit in), ingratiation, aligning actions (making one's actions seem appealing or understandable), and alter-casting (imposing identities on other people). Maintaining a version of self-presentation that is generally considered to be attractive can help to increase one's social capital, and this method is commonly implemented by individuals at networking events. These self-presentation methods can also be used on the corporate level as impression management.

**Self-presentation:**

Self-presentation is conveying information about oneself – or an image of oneself – to others. There are two types and motivations of self-presentation:

- presentation meant to match one's own self-image, and
- presentation meant to match audience expectations and preferences.

Self-presentation is expressive. Individuals construct an image of themselves to claim personal identity, and present themselves in a manner that is consistent with that image. If they feel like it is restricted, they often exhibit reactance or become defiant – try to assert their freedom against those who would seek to curtail self-presentation expressiveness. An example of this dynamic is someone who grew up with extremely strict or controlling parental figures. The child in this situation may feel that their identity and emotions have been suppressed, which may cause them to behave negatively towards others.

- *Boasting*– Millon notes that in self-presentation individuals are challenged to balance boasting against discrediting themselves via excessive self-promotion or being caught and being proven wrong. Individuals often have limited ability to perceive how their efforts impact their acceptance and likeability by others.
- *Flattery* – flattery or praise to increase social attractiveness
- *Intimidation* – aggressively showing anger to get others to hear and obey one's demands.

Self-presentation can be either defensive or assertive strategies (also described as protective versus acquisitive). Whereas defensive strategies include behaviours like avoidance of threatening situations or means of self-handicapping, assertive strategies refer to more active behaviour like the verbal idealisation of the self, the use of status symbols or similar practices.

These strategies play important roles in one's maintenance of self-esteem One's self-esteem is affected by their evaluation of their own performance and their perception of how others react to their performance. As a result, people actively portray impressions that will elicit self-esteem enhancing reactions from others.

In 2019, as filtered photos are perceived as deceptive by users, PlentyOfFish along with other dating sites have started to ban filtered images.

**Social interaction:**

Goffman argued in his 1967 book, *Interaction ritual*, that people participate in social interactions by performing a "line", or "pattern of verbal and nonverbal acts", which is created and maintained by both the performer and the audience. By enacting a line effectively, the person gains positive social value, which is also called "face". The success of a social interaction will depend on whether the performer has the ability to maintain face. As a result, a person is required to display a kind of character by becoming "someone who can be relied upon to maintain himself as an interactant, poised for communication, and to act so that others do not endanger themselves by presenting themselves as interactants to him". Goffman analyses how a human being in "ordinary work situations presents himself and his activity to others, the ways in which he guides and controls the impression they form of him, and the kinds of things he may and may not do while sustaining his performance before them".

When Goffman turned to focus on people physically presented in a social interaction, the "social dimension of impression management certainly extends beyond the specific place and time of engagement in the organization". Impression management is "a social activity that has individual and community implications". We call it "pride" when a person displays a good showing from duty to himself, while we call it "honor" when he "does so because of duty to wider social units, and receives support from these duties in doing so".

Another approach to moral standards that Goffman pursues is the notion of "rules of conduct", which "can be partially understood as obligations or moral constraints". These rules may be substantive (involving laws, morality, and ethics) or ceremonial (involving etiquette). Rules of conduct play an important role when a relationship "is asymmetrical and the expectations of one person toward another are hierarchical."

**Dramaturgical analogy:**

Goffman presented impression management dramaturgically explaining the motivations behind complex human performances within a social setting based on a play metaphor. Goffman's work incorporates aspects of a symbolic interactionist perspective, emphasizing a qualitative analysis of the interactive nature of the communication process. Impression management requires the physical presence of others. Performers who seek certain ends in their interest, must "work to adapt their behavior in such a way as to give off the correct impression to a particular audience" and "implicitly ask that the audience take their performance seriously". Goffman proposed that while among other people individual would always strive to control the impression that others form of him or her so that to achieve individual or social goals.

The actor, shaped by the environment and target audience, sees interaction as a performance. The objective of the performance is to provide the audience with an impression consistent with the desired goals of the actor. Thus, impression management is also highly dependent on the situation In addition to these goals, individuals differ in responses from the interactive environment, some may be non-responsive to an audience's reactions while others actively respond to audience reactions in order to elicit positive results. These differences in response

towards the environment and target audience are called self-monitoring. Another factor in impression management is self-verification, the act of conforming the audience to the person's self-concept.

The audience can be real or imaginary. IM style norms, part of the mental programming received through socialization, are so fundamental that we usually do not notice our expectations of them. While an actor (speaker) tries to project a desired image, an audience (listener) might attribute a resonant or discordant image. An example is provided by situations in which embarrassment occurs and threatens the image of a participant.

Goffman proposes that performers "can use dramaturgical discipline as a defense to ensure that the 'show' goes on without interruption." Goffman contends that dramaturgical discipline includes:

1. coping with dramaturgical contingencies;
2. demonstrating intellectual and emotional involvement;
3. remembering one's part and not committing unmeant gestures or faux pas;
4. not giving away secrets involuntarily;
5. covering up inappropriate behavior on the part of teammates on the spur of the moment;
6. offering plausible reasons or deep apologies for disruptive events;
7. maintaining self-control (for example, speaking briefly and modestly);
8. suppressing emotions to private problems; and
9. suppressing spontaneous feelings.

**Manipulation and ethics:**

In business, "managing impressions" normally "involves someone trying to control the image that a significant stakeholder has of them". The ethics of impression management has been hotly debated on whether we should see it as an effective self-revelation or as cynical manipulation. Some people insist that impression management can reveal a truer version of the self by adopting the strategy of being transparent, which is a kind of . Because transparency "can be provided so easily and because it produces information of value to the audience, it changes the nature of impression management from being cynically manipulative to being a kind of useful adaptation".

Virtue signalling is used within groups to criticize their own members for valuing outward appearance over substantive action (having a real or permanent, rather than apparent or temporary, existence).

Psychological manipulation is a type of social influence that aims to change the behavior or perception of others through abusive, deceptive, or underhanded tactics. By advancing the interests of the manipulator, often at another's expense, such methods could be considered exploitative, abusive, devious, and deceptive. The process of manipulation involves bringing an unknowing victim under the domination of the manipulator, often using deception, and using the victim to serve their own purposes.

Machiavellianism is a term that some social and personality psychologists use to describe a person's tendency to be unemotional, and therefore able to detach him or herself from conventional morality and hence to deceive and manipulate others. (See also Machiavellianism in the workplace.)

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Check your progress

Question1. What do you understand by impression management and state the theory associated with it.

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## 4.7 Attribution in Organization

**Attribution Theory**

The Theory suggests that when we observe an individual's behaviour, we attempt to determine whether the behaviour was internally or externally caused. That determination depends largely on three factors as below:

1. Distinctiveness
2. Consensus
3. Consistency

Internally caused behaviours are those an observer believes to be under the personal behavioural control of another individual. Thus, internally caused behaviors are said to be within control of an individual.

Externally caused behaviours are those an observer believes that the situation forced the person to behave in a particular manner. Thus, externally caused behaviours are said to be outside the direct control of an individual.

Distinctiveness refers to whether an individual displays different behaviors in different situations. Incase, the behaviour is distinct every time, probably, it is internal, however, incase it is not, the same is due to external factors.

Consensus means everyone who faces a similar situation would have reacted in a similar manner. Incase everyone reacts the same manner, it is said to externally driven if not, then its internally driven.

Consistency means there is a pattern of consistency in the behavior. Incase the consistency is high, it is attributed to internal factors, if not, the same is attributed to external factors.

### 4.7.1 Fundamental Attribution Error

The tendency to underestimate the influence of external factors and overestimate the influence of internal factors when making judgments about the behavior of others

**Check your progress**

Question1. What do you understand by attribution ?

Question 2. What is attribution theory ?

**Self Asking Question**

Question 1 Does attribution theory applies in real life scenario?  Explain.

### 4.8 Summing up

This unit of organizational behavior is all about the personality of an individual, their perception towards the environment and the attribution. Personality, perception and attribution with regards to the organization is an imperative topic as it focuses on the individuals and group dynamics for the organization and how it affects the organization behavior and the ways and means to direct the masses behavior and attitude towards the achievement of common organizational objectives with the various theories  along with staying in line with the individual goals.

### 4.9 References and Suggested readings

1) Robbins, Judge, Vohra.*Organizational Behavior*, New Delhi: Pearson

2) Khanks S S. *Organizational Behaviour.* New Delhi: S Chand & Company

3) www.verywellmind.com

## Block III Unit I : Early and contemporary theories of motivation

**Unit Structure:**

### 1.1 Introduction

Each and every organisation's success is dependent on its employees or human resources. Therefore, it is very much essential for the organization to motivate their employees so that these employees are ready to give their best performance towards the fulfillment of organizational goals. Motivation is a broader term which includes many aspects like positive motivation, negative motivation, intrinsic motivation, extrinsic motivation etc. Moreover, over the years, many management thinkers and philosophers have developed many theories of motivation. Let us discuss some of these important theories of motivation.

### 1.2 Objectives-

After going through this chapter, the learners would be able to-

- ➢ Explain the meaning of motivation
- ➢ Explain the need or importance of motivation
- ➢ Discuss the various theories of motivation

### 1.3 Meaning and concept of motivation-

Mr. X is an employee of a multinational company. He is accountable and sincere in performing his duties. He wishes to become the senior manager of his department and

therefore he is showing his greater willingness to perform his present job properly, sincerely and dedicatedly so that he can make his boss happy and get his desired promotion. Here we can see the example of positive motivation.

On the other hand, Mr. Y had been showing his negligence in performing his assigned task properly. His boss called him and warned him to perform his duty with due diligence, otherwise Mr. Y will be fired out from his job by his boss. After getting the warning and to protect himself from job dismissal, Mr. Y has started working properly and sincerely from the next day onwards. Here we can see the example of negative motivation.

From the above two examples, we can understand that motivation is the process of creating the desire or willingness among people to work properly so as to get some reward or to protect oneself from punishment. Thus motivation is the willingness to exert towards the accomplishment of goal or need.

Fred Luthans defined motivation as " process that starts with a psychological or physiological deficiency or need that activates behavior or a drive that is aimed at a goal or incentive"

Motivation may be of the following kinds-

i) Positive Motivation- Here people will show their willingness to work in order to get some reward like recognition, promotion, salary hike, bonus etc

ii) Negative Motivation- Here people will show their willingness to work in order to protect themselves from punishment like demotion, salary cut, dismissal etc

iii) Intrinsic motivation- A person with high degree of confidence, enthusiasm and zeal exert intrinsic motivation. Here the person is having a strong mindset, desire to achieve something to satisfy his own psychology.

iv) Extrinsic Motivation- Under extrinsic motivation, person is motivated to work so that he can get some external reward like praise or recognition, promotion, winning a competition etc.

## 1.4  Importance of Motivation

1) Improves Performance Level:

The willingness to do work increases the efficiency of a person.  Such willingness is obtained by motivation. Increase in efficiency leads to greater productivity and performance of the organization.

2) Helps to develop positive Attitudes of Employees:

A motivated employee is basically dedicated and sincere towards his works. Proper motivation especially positive motivation like praise or recognition, promotion, salary hike etc for better work performance increases the motivation and dedication level of the employees at the work place which brings a positive environment in the organization.

3) Reduction in Employee Turnover:

Employee turnover basically resignation by employees due to dissatisfaction of job environment is a serious problem for many organization. Employee turnover creates a lot of problems for the managers. A lot of time and money gets wasted in repeatedly recruiting employees and giving them education and training.

Motivation can save an organisation from such wastage. Motivated people work for a longer time with dedication and loyalty in the organisation and thus there is a decline in the rate of turnover.

 4) Creates friendly environment and promotes teamwork

Motivated employees show greater co-operation and friendliness with their co-workers, superiors and subordinates which bring team spirit in the entire organization. For Example, ISRO scientists are highly motivated and they work as a team.

5) Job satisfaction-

Motivation will help employees to achieve their professional as well as personal goals. Motivation brings self development of employees. Ultimately Motivation promotes job satisfaction.

6) Helps to Reduce Absenteeism in the Organisation:

In some of the organisations, the rate of absenteeism is high as employees dislike their job or they are not motivated. The possible causes for such absenteeism are poor work conditions, poor relations with colleagues and superiors, no recognition in the organisation, insufficient

reward, etc. A Manager or supervisor removes all such deficiencies by bringing motivation among employees.

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**Stop to Consider**

Motivation is the process of creating urge or willingness among the minds of people to do work. Motivation may positive or negative; it may be intrinsic or extrinsic.

Motivation has the following importance-

- Improves performance level
- It helps to develop positive attitude of employees
- It reduces employee turnover
- It creates friendly environment and promotes teamwork
- It enhances job satisfaction
- It reduces employee absenteeism and turnover.

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## 1.5 Theories of motivation-

Following are the important motivation theories-

- Maslow's Need Hierarchy Theory
- Herzberg's Motivation Hygiene Theory
- McClelland's Need Theory
- McGregor's Participation Theory
- Ouchi's Theory Z
- Vroom's Expectancy Theory

## 1.5.1- Maslow's Need Hierarchy Theory-

It is the most well-known theory of motivation .Maslow's theory is based on the human needs. Drawing on his clinical experience, Maslow classified all human needs into a

hierarchical manner from the lower to the higher order. Such human needs are based on satisfaction-progression; it means if one level of need is satisfied then it no longer serves to motivate the person and another need comes.

Maslow identified five levels of human needs in hierarchy as shown below-



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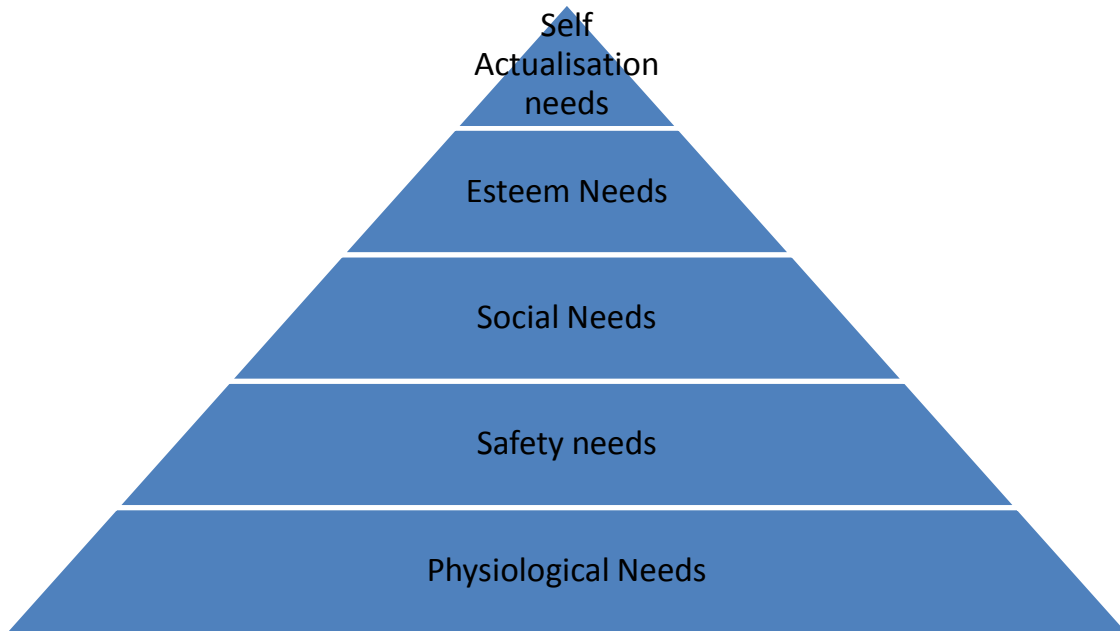
**Figure- Maslow's Hierarchy of needs**

Such needs are discussed below-

1. Physiological Needs:

These needs are basic to human life which are relate to the survival and maintenance of human life. Such needs include food, clothing, shelter, air, water and necessities of life. Every

human try to meet first at least these needs partly or fully before higher level needs emerge. Once physiological needs are satisfied, they no longer motivate the person.

For example, Miss Deepshikha gets a job. Then first and foremost, she will try to fulfill her basic needs like the needs for food, clothing and shelter for herself or for her family with the income she earns. Once she become capable of fulfilling the basic needs of herself or for her family members, then such basic needs will no longer motivate her. Then next level of needs will emerge in her mind.

## 2. Safety Needs:

After satisfying the physiological needs, the next needs felt by human are called safety or security needs. The need for having economic security and protection from physical dangers comes under safety needs. Meeting these needs requires more money and, therefore, the individual is prompted to work more. Once safety needs are fulfilled, they will no longer motivate the person.

For example, Miss Deepshikha, after fulfilling her basic needs, will now focus on fulfilling her safety needs, At this stage, she might try to secure her income, secure her life, secure her home so constructed. So she will be in a need for getting a permanent job, she will purchase insurance policies for securing her life and securing her home so constructed. Once Deepshikha gets a permanent job or once she become capable of fulfilling her safety or security needs, these needs will no longer motivate her. The next level of need will emerge in her mind.

## 3. Social Needs:

Human is a social being. Each and every human needs social interaction, companionship, belongingness, etc. After fulfilling safety need, another need emerge in the mind of people; that is social need. Here a person tries to fulfill his/her social need by way of having social interaction, joining peer informal groups, making friendships, getting married, having love and affection etc.

For example, once Deepshikha fulfils her safety need, they she may become ready for getting married in order to fulfill her social need.

## 4. Esteem Needs:

These needs relates to self-esteem and self-respect. They include such needs which signify self-confidence, achievement, competence, knowledge and independence. The fulfillment of esteem needs leads to development of self-confidence, strength and capability of being useful and prestigious in the organization or society. However, inability to fulfill the esteem needs results in feeling like inferiority, weakness and helplessness.

For example, Deepshikha may need promotion in her job, or she may want to become the senior executive or the head of her department so that her job position becomes prestigious within the organization or within the society.

5. Self-Actualisation Needs:

Self- actualization is the person's motivation to transform perception of self into reality. It is the top most position a person deserve in his or her career or life. Such position which a person deserves is based on his /her capabilities within a specific area or specialisation. For example, if we look at Sachin Tendulkar, we may say that, being a cricketer of Indian Cricket team, he has achieved everything which he deserved in his cricket career. We all know that, he is having highest number of international centuries in the history of cricket so far, he was the member of a world cup winning team, he was also a captain of Indian cricket team, and he was also the number one ranked batsman for many times in the cricket rankings. Thus, the self actualization need of Sachin Tendulakar has fulfilled.

Similarly, based on the above examples, if Deepshikha can achieve the top most position she deserved and perceived in her career or life, we can say that she has fulfilled her self-actualization need.

The main criticisms of the theory include the following:

1. This theory is based on satisfaction-progression. The needs may or may not follow a definite hierarchical order. There may be overlapping in need hierarchy.
2. The need priority model may not apply at all times in all places, a person may prioritize to fulfill his social need before fulfilling his safety need.

Stop To Consider
- ➤ Maslow's Need Hierarchy theory is based on satisfaction-progression principle
- ➤ The human needs as propounded by Abraham Maslow are Physiological needs- Safety Needs- Social Needs- Esteem needs- self Actualisation Need.

**1.5.2- Herzberg's Approach**

Frederick Herzberg developed the motivation-hygiene theory in his book, Motivation to Work. Herzberg attempted to identify the factors in work environments cause satisfaction or dissatisfaction of workers. Herzberg asked 13 labourers, clerical workers, foreman, plant engineers and accountants to describe, in detail, situations where they felt exceptionally good or bad about their jobs. The respondents, when describing situations where they felt good about their jobs, cited factors which are intrinsic to their work while those factors describing situations where they felt bad about their jobs cited extrinsic factors. Herzberg classified two types of factors that can add to or detract from job satisfaction: hygiene and motivation factors.

Hygiene factors are related to the need to avoid unpleasantness. The word 'hygiene' is taken from the medical field, where it means taking the necessary steps to maintain one's health but not necessarily improve it. Management must try to prevent job dissatisfaction by providing hygiene factors in a proper measure. It means these factors must be maintained in an organization in a proper way in order to avoid job dissatisfaction. Herzberg mentions the following factors as hygiene factors:

(i) Salary

(ii) Job security

(iii) Working conditions

(iv) Company policy and administration

(v) Technical supervision

(vi) Inter-personal relationships with peers

(vii) Interpersonal relationships with supervisors

(viii) Interpersonal relationships with subordinates

(ix) Status

(x) Personal life

Motivation factors more directly lead to job satisfaction because it leads an individual for self-growth and self-actualization. An increase in these factors will motivate people; while a

decrease in these factors will have negative effect on motivation. Herzberg mentions the following factors as motivators:

(i) Achievement

(ii) Recognition

(iii) Responsibility

(iv) Advancement

(v) Opportunities for growth

(vi) Work itself

According to Herzberg's Model, here are 4 possible combinations based on the Hygiene and Motivating factors-

High Hygiene and High Motivation: The perfect situation where workers or employees are highly motivated and have fewer complaints against management.

High Hygiene and Low Motivation: Workers or employees have fewer complaints but, they are not highly motivated.

Low Hygiene and High Motivation: Employees are motivated but have a lot of complaints against the system or management. It is like a situation where the job is exciting but salaries or work conditions are not up to standard.

Low Hygiene + Low Motivation: Employees are not motivated and have many complaints against the management regarding their salary or work conditions.

**Limitations of the Theory**

There are certain limitations to the theory, these are mentioned below-

1. The theory applies to white collar workers only.

2. The most common criticism in this theory is that the assumption that happy and satisfied workers produce more, which might not be the case.

Stop to consider

> ➤ Herzberg's Hygiene Motivation theory is based on use of some hygiene or maintenance factors and some motivational factors in an organization.

> ➤ Absence of hygiene factors dissatisfies employees; however their presence does not leads to motivation of employees.

> ➤ Presence of the motivational factors in the organization leads to motivation of employees.

> ➤ There are four possible combination of Hygiene and motivation factors-
> High hygiene & High Motivation
> High Hygiene & Low Motivation
> Low Hygiene & High Motivation
> Low Hygiene & High Motivation

## 1.5.3- McClelland's Theory of Needs (Power, Achievement, and Affiliation)

David McClelland was an American Psychologist who developed his theory of needs. This theory is also known as Achievement Theory of Motivation which includes three important aspects, namely, Achievement, Power, and Affiliation.

This theory was developed in the 1960s. McClelland stated that regardless of our age, race, gender, or culture, all of us possess through one of these needs and are driven by it. This theory states that the needs for achievement, the need for power, and the need for affiliation significantly influence the behavior of an individual, which is useful to understand from a managerial context.

Let us discuss these needs-

1. Need for Achievement

The need for achievement is the urge to achieve something in what a person does. It is the need that motivates a person to work and even struggle for the goal that he wants to achieve. For example, if a person is a lawyer, then it is the need to win cases and be recognized, if a person is a cricket player it is the need to win World cup may be a need for achievement.

Generally, achievement-based individuals take calculated risks to reach their goals and may circumvent both high-risk and low-risk situations. They often prefer working on their own will.

2. Need For Power

The need for power is the desire within a person to hold control and authority over another person or group of persons and to influence and change their decision in accordance with his own desires. The people driven by this need are basically interested in exercising their leadership ability.

People having power need are self-controlled and they expect the obedience and recognition from their peers and teams. This motivational type is accompanied by needs for personal prestige, and better personal status.

3. Need for Affiliation

The need for affiliation is the tendency of a person to have interpersonal and social relationships with others or a particular set of people. These kinds of people are extrovert and friendly and they seek to work in groups by creating friendly atmosphere and lasting relationships and have the urge to be liked by others. They tend to like cooperating or collaborating with others to get the work completed and usually avoids high-risk situations and uncertainty.

The individuals motivated by the need for affiliation prefer being an important part of a group. They like spending their time in socializing and maintaining relationships in formal or informal groups and possess a strong desire to be loved and accepted.

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Stop To Consider

- ➢ David McClalland's Theory is based on three human needs i.e Need for Power, Need for affiliation and Need for achievement.

- ➢ According to this theory, based on the above mentioned needs, people are having different drives or motivation.

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## 1.5.4 -Theory X and Theory Y

Douglas McGregor expressed his views on human nature in two sets of assumptions. They are popularly known as 'Theory X' and 'Theory Y'.

These two theories represent the extreme ranges of assumptions. Theory X assumptions are negative. The managers or superiors in an organization may have certain negative assumptions regarding their employees or workers. According to this theory, managers may assume that-

> ➢ Employees inherently dislike work and therefore whenever possible, they will attempt to avoid it.
> ➢ Since' employees dislike their work, they must be coerced, controlled, or threatened with punishment in order to get the work done.
> ➢ Employees dislike to take responsibilities and they seek formal direction and guidance whenever possible.
> ➢ Most workers place job security as the key factor above all other factors and will display little ambition in their career.

Managers who accept theory-X assumptions tend to structure, control and closely supervise their employees or workers. Basically autocratic leadership style is followed by managers. The managerial attitudes and supervisory practices of the managers resulting from such negative assumptions have an important bearing on employees' behavior in the organisation.

On the other hand, Theory Y assumptions are positive. The managers or superiors in an organization may have certain positive assumptions regarding their employees or workers. According to this theory, managers may assume that-

> ➢ Employees like to work and they can view work as being as natural as rest or play.
> ➢ The employees will exercise self-direction and self-control as they are committed to the objectives or goals in the organisaton.
> ➢ The average number of employees can learn to accept, even seek, responsibility.

Managers who accept theory-Y assumptions are like participative leaders who do not attempt to structure, control or closely supervise the employees. They encourage their employees to have their own self direction and self control in connection to their job and they encourage the employees in taking part in the decision making process.

Thus theory-Y aims at the establishment of an working environment in which employees can best achieve their personal goals by consulting, participating, communicating and cooperating themselves to the objectives of the organization. In this process, employees are expected to exercise a large degree of internal or intrinsic motivation.

Criticism to this theory-

Some of the criticisms to this theory are-

> There is no evidence to confirm that either set of assumptions is valid in practical.
> The level of assumptions of the superiors or leaders on their employees may vary from situation to situation.

---

Stop to Consider

> Based on human nature, Douglas McGregor has identified two set of assumptions as Theory X and Theory Y.
> Theory X is for negative motivation, i.e, Superiors in an organization have negative assumptions about their employees
> Theory Y is for positive motivation, i.e Superiors in an organization have positive assumption about their employees.
> Theory Y is more suitable for organizations where there is positive motivation and teamwork is there.

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**1.5.5 -William Ouchi's Theory Z of Motivation**

William Ouchi developed Theory Z after making a comparative study of Japanese and American management practices. Theory Z suggests that large complex organisations are human systems and their effectiveness depends on the quality of workforce used. William Ouchi argued that Western organizations could learn from their Japanese counterparts in order to manage their workforce.

Ouchi's theory first appeared in his book, Theory Z: How American Management Can Meet the Japanese Challenge, 1981. This theory includes certain assumptions and, according to Ouchi, if these assumptions are maintained, it would reduce employee turnover, increase

employee commitment, improve their morale and job satisfaction, and there will be drastic increase in productivity.

Theory Z stresses the development of  workers as generalists, rather than specialists to a specific job. It views that, frequent job rotations and continual training as a means of increasing employees' knowledge of the company and its processes while building a variety of skills and abilities. The all round development of employees with variety of skills will help the organisation to develop a more dedicated, loyal, and permanent workforce. The employees will be motivated as they have the opportunity to fully develop their careers at one company.

Theory Z makes certain assumptions about company culture. These assumptions are-

A strong company philosophy and culture:

The company's overall philosophy and work culture need to be understood and embodied by all employees, and employees need to believe in the work they're doing.

Long-term staff development and employment:

The organization and management team need to have measures and programs in place to retain and develop employees .Under Z assumption,  employment is usually long-term, and promotion is steady and measured. It leads to loyalty from employees.

Consensus in decisions:

 Employees are encouraged and expected to take part in organizational decisions and the decisions are taken in a consensus manner.

Generalist employees:

Under Z assumption, all round development of employees are focused. Employees are not appointed to a specialized job, rather they are made as generalist who can work in any job position.

Concern for the happiness and well-being of workers:

The organization under Z assumption shows sincere concern for the health and happiness of its employees and their families.

Informal control with formalized measures:

Employees are empowered to perform tasks the way they see fit, and management is basically cooperative and friendly. Informal communication and and informal organization is a major part.   However, there are formalized measures in place to assess work quality and performance of the employees.

Individual responsibility:

The organization recognizes the individual contributions but always within the context of the team as a whole.

Thus, Theory Z is a hybird system which incorporates the strengths of both American management (individual freedom, risk taking, quick decision-making, etc.) and Japanese management (job security, group decision-making, social cohesion, holistic concern for employees, etc.)

Limitations of Theory Z

There are certain limitations to theory Z which are discussed below-

> It can be difficult for organizations and employees to make life-time employment commitments. Employees job security may tend to make them lazy and incompetent over times.

> Participative decision-making may not always be feasible or successful due to the nature of the work or the willingness of the workers. In certain work situations, even autocratic decision making is required.

> Theory Z is based on Japanese management practices. These practices have been evolved from Japan's unique work culture. The theory may not be applicable in different cultures keeping in view of diversity in cultures.

Stop To Consider

> Theory Z propounded by Willam Ouchi is the hybrid of American Management style and Japanese Management style.
> Theory Z is based on the following assumptions-
>
> Long term staff development and employment
>
> Consensus in decisions
>
> Generalist Employees
>
> Concern for happiness and well being of workers
>
> Informal control with formalized measures
>
> Individual Responsibility

## 1.5.6 -Vroom's Expectancy Model of Motivation

Vroom's expectancy theory comes under the process theory category. Victor H. Vroom's theory is also known as Valence Instrumentality Expectancy or VIE theory of motivation. Vroom's expectancy theory of motivation implies that individuals are motivated to do something based on three factors; they are motivated when they value a particular reward or outcome associated with an action (Valence); then they have the trust or believe that they'll be able to receive the reward if they perform properly (Expectancy) and how much they believe that generating good results will result in a reward (Instrumentality).

Thus, Motivation = **Valence x Expectancy x Instrumentality**

Valence: How much people value the potential rewards associated with the specific results or behaviors. For Example, an employee may value to become the manager of his department backed by his good performance.

Expectancy: How much people believe that their additional effort will help them achieve the target results of behaviors. For Example, the employee may believe that his consistent and dedicated performance without absenteeism and his sincerity in the organization may help him to achieve his target i.e becoming the manager of his department.

Instrumentality: How much they believe the rewards will actually appear should they achieve the desired outcomes or behaviors. For Example, if the employee is confident on his

capability of performing the task in his department with dedication and sincerity, he will able to achieve his reward i.e becoming the manager of his department.

From an individual perspective, if any of these factors are lacking, the person may lack motivation.

Thus, Vroom's theory has provided a conceptual framework of motivation. It does not specify what exactly motivates the workers at work. The theory is an important contribution towards understanding the role of complex organisational behavior towards motivation.

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Stop To Consider-

➢ Victor Vroom introduced the expectancy model of motivation
➢ According to this theory motivation is **Valence x Expectancy x Instrumentality**

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**1.6 Summing Up**

➢ Motivation is the process of creating the desire or willingness among people to work properly so as to get some reward or to protect oneself from punishment. Thus motivation is the willingness to exert towards the accomplishment of goal or need.
➢ The human needs as propounded by Abraham Maslow are Physiological needs- Safety Needs- Social Needs- Esteem needs- self Actualisation Need.
➢ There are four possible combination of Herzberg's Hygiene and motivation factors-
  High hygiene & High Motivation
  High Hygiene & Low Motivation
  Low Hygiene & High Motivation
  Low Hygiene & High Motivation
➢ David McClalland's Theory is based on three human needs i.e Need for Power, Need for affiliation and Need for achievement.
➢ Based on human nature, Douglas McGregor has identified two set of assumptions as Theory X and Theory Y.Theory X is for negative motivation, i.e, Superiors in an organization have negative assumptions about their employees. Theory Y is for positive motivation, i.e Superiors in an organization have positive assumption about their employees.

- Theory Z propounded by Willam Ouchi is the hybrid of American Management style and Japanese Management style.

- Victor Vroom introduced the expectancy model of motivation. According to this theory motivation is **Valence x Expectancy x Instrumentality**

## 1.7 References-

- **Robbins P Stephen & Judge A. Timothy (2013). Organisational Behaviour (15<sup>th</sup> edition) New Jersey. Pearson Prentice Hall.**

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**Questions-**

1. Define Motivation
2. What is intrinsic and extrinsic Motivation
3. Discuss Maslow's Need hierarchy theory of Motivation
4. Discuss herzber's Two Factor theory of motivation
5. In between Theory X and Theory Y assumptions, which one is more suitable in an organization? Explain Theory X and Theory Y.
6. Which theory is the hybrid of American Management style and Japanese Management Style? Explain the theory
7. Explain Vroom's Expectancy theory.

# Block III Unit II : Motivation at work design

**Unit Structure:**

2.1 Introduction

2.2 Objectives

2.3 What is work design

2.4 Motivation at work design – Traditional approaches

2.5 Motivation at work design – modern Approaches

2.6. Summing Up

2.7 References

## 2.1 Introduction

If the organisation doesn't have motivated employees to put forth the effort required to do well, it's likely that the organisation will face some challenges. Employees are with the organisation to keep its operations running and moving forward, but if the organisation doesn't encourage employee motivation, the organisation's operation is likely to remain stagnant — or worse: begin to decline. However, the organisation can work to combat these issues by designing a job that provides ongoing motivation.

## 2.2 Objectives

After going through this chapter, the learners would be able to-

- ➢ Define work design
- ➢ Explain the traditional approaches of motivation at work design
- ➢ Explain the modern approaches of motivation at work design

## 2.3 What is work design

According to Parker, Work design refers to the "content and organisation of one's work tasks, activities, relationships and responsibilities".

For example, while designing the role of a HR manager, illustrative work design decisions include:

- Which activities should be grouped together to form a meaningful HR manager job?
- Which decisions should be made by the HR managers and which by their superiors?
- Should individual jobs be grouped together into a team?
- Whether the HR manager would be able to perform his departmental job with autonomy or whether he has to take permission from his superiors for important decisions?
- What will be the working relationship of the HR manager with the other departmental heads through coordination?

Thus these decisions about the content and organization of one's work tasks, activities, relationships, and responsibilities will affect outcomes at multiple levels including whether the HR manager feel engaged or stressed at work, and whether the HR manager achieves his departmental goal effectively.

Often work design is described in terms of "job characteristics", or features of work that affect how people feel about their jobs. Research has identified that some job characteristics that are positive, which result in work being more motivating or less stressful.

It is very important to design the work to the best possible manner because the way work is designed affects how employees feel about their job and which can influence whether they feel motivated, engaged, bored, or stressed at work. Work design can also impact an organisation's performance. With well- designed work contributing to increased productivity, financial growth, and lower rates of mistakes, accidents and incidents in the organization.

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Stop to Consider
- Work design refers to the content and organisation of one's work tasks, activities, relationships and responsibilities.
- Often work design is described in terms of "job characteristics", or features of work that affect how people feel about their jobs.
- It is very important to design the work to the best possible manner because the way work is designed affects how employees feel about their job and which can influence whether they feel motivated, engaged, bored, or stressed at work.

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There are some approaches for better work design. Each of these approaches is categorized into two categories-

A. **Traditional Approaches**
B. **Modern Approaches**

These Approaches are discussed below-

**2.4 Traditional Approaches-**

**1. Job Enlargement:**

Job enlargement consists of making a job larger in scope by combining additional task activities into each job through expansion of the job. This is horizontal loading of the job. It, thus, focuses on enlarging jobs by increasing tasks and responsibilities within the same level of the job.

For example, in a university a professor may be assigning the task of looking after the NSS activities besides his/her teaching in his/her Department. Similarly, a clerk in an office who is doing the typing work may also be assigned the task of drafting letters, sorting of incoming mails after the retirement of his colleague.

Following are the advantages of job enlargement:

i) Job enlargement avoids monotony in work.  It enlarges the scope of the work which makes the employees capable of handling different tasks within their working level or hierarchy.

ii) It improves workers working capabilities and thereby satisfying them.

iii) It also improves the worker's efficiency at work which results greater productivity of the organization.

In spite of above advantages, there are certain disadvantages of job enlargement which are discussed below-

i) Workers may require additional training for performing the enlarged tasks which adds the training costs.

ii) Workers often demand for increased pay because of the increased work load as a result of job enlargement.

iii) Job enlargement leads to lower specialization of workers. Since, the workers have to work in an all round manner towards different areas within the same level, they lack specialization towards a specific area of their work.

2. **Job Enrichment:**

Job Enrichment refers to the vertical enlargement of a job by adding responsibility and opportunity for personal growth. It makes the job more challenging or interesting. It is the process of adding motivators to existing roles in order to increase satisfaction and productivity for the employees or workers.

In other words, job enrichment is concerned with designing jobs that includes a greater variety of work content, require a higher level of knowledge and skill, give worker more autonomy and responsibility and opportunity for showing creativity and provide opportunity for personal growth.

For example, if the HR manager is given full autonomy to run his department in his creative way, it will motivate the HR manager as a result of job enrichment.

The term job enrichment needs to be distinguished from the term job enlargement. The difference between the two lies on the nature of additions to the job. Job enlargement involves a horizontal loading or expansion of the job or the adding of more tasks of the same general nature, whereas job enrichment involves vertical loading of the job or additionally giving more challenge to make the job interesting.

The advantages of job enrichment are as follows:

i) It makes the job more interesting or challenging as employees get the scope to perform their job in their creative way with autonomy.

ii) Since employees find their job interesting, therefore job enrichment discourages absenteeism and turnover of employees or workers.

iii) It motivates employees through opportunities for growth and advancement of their career.

iv) The organisation also gains through improvement of output both in quantity and quality.

Job enrichment suffers from the following limitations or disadvantages:

i) It may not be easy to enrich all jobs. There are some technical jobs where employees or workers have to work as per the instruction of their supervisors, workers cannot use their creativity here.

ii) Job enrichment may not be suitable for all kind of workers. All those who prefer to job enrichment may not have the requisite capability to meet the new challenges.

3. **Job Simplification:**

Work or job simplification is the process of removing some tasks from existing job roles in order to make them more focused. In case of job simplification, a job is broken down into some smaller parts as is done in assembly line operations. This is basically done when the job is becoming complex or difficult to handle. Once the task is fragmented to some smaller parts, it helps to increase in worker's productivity.

Let us take an example. Upasana works at the reception of a hospital. Her role is to receive the patients/customers, help them in getting the appointment of doctors and preparation of the appointment schedules for the patients and preparation of their hospital bill. . Upasana loved her work. However, when the hospital grew from 50 to 150 people over a two-year period, she started to face burnout symptoms. Over this two year period, Upasana's duty was the same but the group of customers/patients she had to take care of, increased by 300%!

Her manager then sat her down and asked which parts of the role she loved the most. Upasana loved to receive the patients/customers and helping them in getting the appointment of doctors and she also loved to make the appointment schedules for the patients so that the patients could meet the doctor. The manager then decided to create an additional office assistant function who would be dedicated to handle the billing work of the patients. Thus, Upasana's responsibilities were reduced which is the example of work simplification.

Advantages of Job Simplification –

There are certain advantages of job simplification which are discussed below-

i) Since the job is broken down into parts and simplified, it makes the job a lot easier than complex jobs.

ii) Since an employee is continuously associated with a narrow line of fragmented or simplified job, it increases the skill and productivity of the employee specific to that job.

iii) Employees under job simplification are highly motivated and theyprone to get higher rewards with better performance.

Job simplification has certain drawbacks, which are discussed below-

i) It affects the quality of work of the employee in the long-run due to the constant repetition of the job which also has a narrow scope.

ii) There may be presence of monotony in the highly skilled employees due to the same narrow nature of the job.

iii) This process decreases the pressure and complexity of the job upon the employees but increases the frustration and negligence towards their job.

**4. Job Rotation:**

Job rotation is the systematic movement of employees from one job to another job of the same level or status within the organization to achieve various human resources objectives such as orienting new employees, training employees, enhancing career development of employees, and preventing job boredom or burnout of employees. Some people have suggested job rotation as a motivational strategy. The purpose of job rotation policy is to enable staff members or the employees to develop their knowledge and skill in their work level, and having a broader understanding of operations/programs within their job level and to utilize staff effectively. Job rotation may be task based, position based and geography based.

For example, a bank employee working as branch manager in the Delhi branch may be shifted to Assam branch. Here, job rotation is based on change in the geographical region. The role and responsibilities of the manager remains the same. Similarly an worker working

in the production department may be shifted to marketing department with same job status or position.

Movement of employees from one department to another department or from one location to another location makes the employees motivated as they face some changes from their repetitive and monotony work schedules and areas.

**Advantages of Job Rotation**

Job rotation has some advantages which are discussed below-

i) Job rotation helps the organisation in testing the employee skills and competencies in different areas which in turn helps in placing him or her at the right place.

ii) Job rotation reduces the boredom and monotony of the job of the employees.

iii) Provides a wider experience to the employees across different functions which makes them confident and motivated.

**Disadvantages of Job Rotation**

There are certain disadvantages of job rotation which are discussed below-

i) There is lack of quality and stability of employees because of job rotation. Repetitive job rotation makes the employees confused regarding their working specifications.

ii) Some employees may lie in a comfort zone with their present job. In such cases, Job rotation makes such employees dissatisfied with their job. There may be resistance to change also.

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Stop to Consider

Some of the traditional approaches of motivation at work design are-

➢ Job enlargement consists of making a job larger in scope by combining additional task activities into each job through expansion of the job. This is horizontal loading of the job.

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> - Job Enrichment refers to the vertical enlargement of a job by adding responsibility and opportunity for personal growth. It makes the job more challenging or interesting.
>
> - Work or job simplification is the process of removing some tasks from existing job roles in order to make them more focused. In case of job simplification, a job is broken down into some smaller parts as is done in assembly line operations. This is basically done when the job is becoming complex or difficult to handle.
>
> - Job rotation is the systematic movement of employees from one job to another job of the same level or status within the organization to achieve various human resources objectives such as orienting new employees, training employees, enhancing career development of employees, and preventing job boredom or burnout of employees

## 2.5 Modern Approaches

The modern approaches of work design are discussed below-

1. **Quality of work life (QWL)** The success of any organisation is highly dependent on how it attracts, recruits, appoints, motivates, and retains its workforce. Today's organisations need to be more flexible while recruiting, appointing and retaining its workforce so that they are equipped to develop their workforce and enjoy their commitment. Therefore, organisations are required to adopt a strategy to improve the employees' quality of work life (QWL) to satisfy both the organisational objectives and employee needs.

   During 1979, the American Society of Training and Development created a 'Task Force' on the quality of working life, which defined the concept of quality of working life (QWL) as follows –

   "QWL is a process of work organisations which enables its members at all levels to participate actively and efficiently in shaping the organisation's environment, methods and outcomes. It is a value based process, which is aimed towards meeting the twin goals of enhanced effectiveness of the organisation and improved quality of life at work for the employees."

In simple words, QWL refers to the favourableness or unfavourableness of a total job environment for the employees. The elements included in a QWL programme are open communication system, equitable reward system, employees' job security and satisfaction, participative management, development of employee skill, make job environment favourable, autonomy and responsibilities in job etc.

For example, if we take the example of ISRO (Indian Space Research Organisation), we may find that all of its scientists and employees work in a favourable working environment where they have their autonomy and sense of responsibility in their working areas, they have mutual trust and confidence among themselves, their coordination and cooperation is better, they can actively take part in the decision making process etc. It makes ISRO very successful space research organization within the entire world.

Advantages of QWL

In general, the benefits of the QWL include:

1. Healthier, satisfied and productive employees-

   Since Quality of work life crates the environment for job security, recognition, equitable treatment to employees, sense of autonomy etc, it makes employees of the organization healthier, satisfied and more productive.

2. Efficient, adaptive and profitable organizations-

   Sense of cooperation and belongingness among employees and their increased productivity or efficiency  as a result of QWL makes the orgnisation efficient, adaptive to the changing environment and makes the organization profitable.

3. More positive feelings towards one's self –

   QWL boost up the morale and motivation of employees. Employees can use their creative ideas in a healthy organizational environment. It develops or fulfills the self esteem needs of employees.

4. Decreased absenteeism and turnover and fewer accidents-

Autonomy and sense of responsibility, cooperation and coordination among employees as a result of QWL make the employees committed towards their work and duties. It results in reduction of employees' absenteeism and turnover.

5. Higher quality and quantity of output of goods and services-

Motivated, productive efficient employees make the orgnisation efficient, productive and adaptive to environmental changes. The output of the organsation increases and these are of higher quality. As a result, customers also gets benefitted with it.

Disadvantages of Quality of Work life

Despite many advantages QWL programs also face several difficulties-

1. Negative working environment:

Non-acceptance by some colleagues, non-cooperation, too much politics, and negative behaviour by some or few colleagues, supervisors and other people in the company also hamper commitment of the motivated employees. Absence of teamwork as a result of diversity of opinions and viewpoints of employees will discourage them to show total support to the company.

2. No job security:

One of the major needs of employees is job security. If the employee feels that he can lose his job anytime because of his incapability to give commitment of best performance, he would not be committed towards company's goals. Therefore, lazy or employees living in comfort zone are often discouraged with QWL rules.
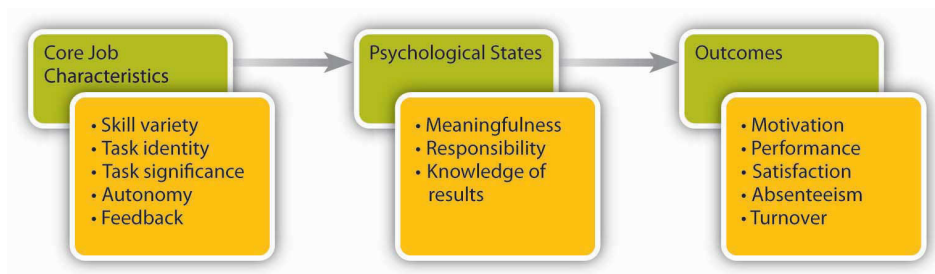
3. Negative attitude:

Some people by nature are not committed to anything and anyone and as such they would not be committed to their employers also for better performance in the organisation. Commitment is an attitude and those who lack it will not be committed to their jobs.

## 2   Job Characteristics Model

The job characteristics model is one of the most influential attempts to design jobs with increased motivational properties (Hackman & Oldham, 1975). Proposed by Hackman and Oldham, the model describes five core job dimensions leading to three critical psychological states, resulting in work-related outcomes.

Figure 6.3



The Job Characteristics Model has five core job dimensions.
Source: Adapted from Hackman, J. R., & Oldham, G. R. (1975). Development of the job diagnostic survey. *Journal of Applied Psychology*, *60*, 159–170.

The five core job characteristics identified in Oldman and Hackman's job characteristics theory and model are:

**Skill variety**

This is the amount of variety in any one job. Skill variety refers to the extent to which the job requires an employee to utilize multiple high-level skills.  For example, a store manager, need to apply a variety of skills to carry out his daily tasks. He needs to handle customer complaints, create employee schedules, order product, train new managers, and numerous other tasks.

**Task identity**

Task identity refers to the degree to which an employee is in charge of completing an identifiable piece of work from start to finish. For example, A Web designer who designs only parts of a Web site will have low task identity, because the work blends in with other Web designers' work in the process of the complete web site development; in the end it will be hard for any one employee to claim responsibility for the final output. The Web master who designs an entire Web site will have high task identity.

**Task significance**

Task significance refers to whether an employee's or executive's job substantially affects other people's work, health, or well-being. When employees or executives feel that their tasks are significant, employees tend to feel that they are making an impact on their environment, and their feelings of self-worth are boosted .For example, a vice chancellor's work affects the whole university and has high task significance.

Autonomy

Autonomy is the degree to which an employee has the freedom to decide how to perform his or her tasks. Higher task autonomy brings a feeling of ownership and responsibility among employees. Lower levels of autonomy make the employees feel micromanaged and stifled. Autonomy increases the motivation and morale of employees. For example, if the production manager is given the autonomy to choose the technology for production, he will feel responsible towards his tasks and will try to perform it to the best possible way.

Feedback

Feedback refers to the degree to which employees learn how effective they are being at work. Feedback at work may come from various sources, such as supervisors, peers, subordinates, and customers, or it may come from the job itself.  Feedback helps the employees to analyse their job competencies as well as their weaknesses in their job. Employees can modify or adjust their working pattern keeping in view of their work feedback.

Stop to Consider

Some of the modern approaches to motivation at work designs are-

➢ QWL, is a process of work organisations which enables its members at all levels to participate actively and efficiently in shaping the organisation's environment, methods and outcomes. It is a value based process, which is aimed towards meeting the twin goals of enhanced effectiveness of the organisation and improved quality of life at work for the employees.

➢ The job characteristics model is one of the most influential attempts to design jobs with increased motivational properties (Hackman & Oldham, 1975). Proposed by Hackman and Oldham, the model describes five core job dimensions leading to three critical psychological states, resulting in work-related outcomes.

## 2.6 Summing Up

➢ Work design refers to the content and organisation of one's work tasks, activities, relationships and responsibilities.
➢ Often work design is described in terms of "job characteristics", or features of work that affect how people feel about their jobs.
➢ It is very important to design the work to the best possible manner because the way work is designed affects how employees feel about their job and which can influence whether they feel motivated, engaged, bored, or stressed at work.

➢ Job enlargement consists of making a job larger in scope by combining additional task activities into each job through expansion of the job. This is horizontal loading of the job.
➢ Job Enrichment refers to the vertical enlargement of a job by adding responsibility and opportunity for personal growth. It makes the job more challenging or interesting.

- Work or job simplification is the process of removing some tasks from existing job roles in order to make them more focused. In case of job simplification, a job is broken down into some smaller parts as is done in assembly line operations. This is basically done when the job is becoming complex or difficult to handle.

- Job rotation is the systematic movement of employees from one job to another job of the same level or status within the organization to achieve various human resources objectives such as orienting new employees, training employees, enhancing career development of employees, and preventing job boredom or burnout of employees

- QWL, is a process of work organisations which enables its members at all levels to participate actively and efficiently in shaping the organisation's environment, methods and outcomes. It is a value based process, which is aimed towards meeting the twin goals of enhanced effectiveness of the organisation and improved quality of life at work for the employees.

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- Luthans Fred (2011). Organisational Behaviour an evidence based approach (12 th edition) Irwin. McGraw Hill.

**Questions-**

1. What is work design?
2. Distinguish between job enrichment and job enlargement
3. How QWL motivates the employees in working organisations? Explain its advantages and disadvantages
4. Discuss the traditional approaches to motivation at work design

# BLOCK II Unit 3 : Motivation through Job Design

**Unit Structure:**

## 3.1 Introduction

The ongoing job design process stimulates employees towards better work performance and better industrial relationship. Job in the organization should be designed in such a way so that it empowers employees in the orgnisation, it involves employees in the goal setting process and thereby improvement of employees performance and organisations's overall performance. Let us discuss few important job design techniques which enhances motivaton.

## 3.2 Objectives

After going through this chapter, the learners would be able to-

- ➢ Explain the meaning of job design
- ➢ Explain how empowerment of employees help in motivation
- ➢ Explain how systematic goal setting help in motivation
- ➢ Explain the relationship between motivation and performance

## 3.3 Definition of Job Design

Job design refers to how a set of tasks, or an entire job, in an organization is organized. Job design helps to determine:

- ➢ What tasks to be done,

- ➢ How the tasks to be done,
- ➢ How many tasks to be done and
- ➢ In what order the tasks to be done.

Through proper job design, organizations try to raise the motivation of employees so that the productivity and efficiency of the organization could be raised to the optimum level.

**Features of Good Job Design**

Good job design enhances employees' motivation by paying attention to:

- ➢ Proper design of  work/rest schedules or pace of work
- ➢ Allows for employee input, i.e.  Employees should have the option to change or modify activities according to their personal needs, work habits, and the circumstances in the workplace.
- ➢ Gives the employee a sense of accomplishment by recognizing their creativity and good performance.
- ➢ Includes periodical  training arrangeents, so the employee knows what tasks to do and how to do them properly
- ➢ Provides feedback to the employees about their performance

Job design is an ongoing process. Keeping in view with the environmental changes such as change in work force diversity, change in technology in the production process, changing employees' needs and expectations etc, the job design is accordingly changed or modified from time to time.

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Stop to Consider

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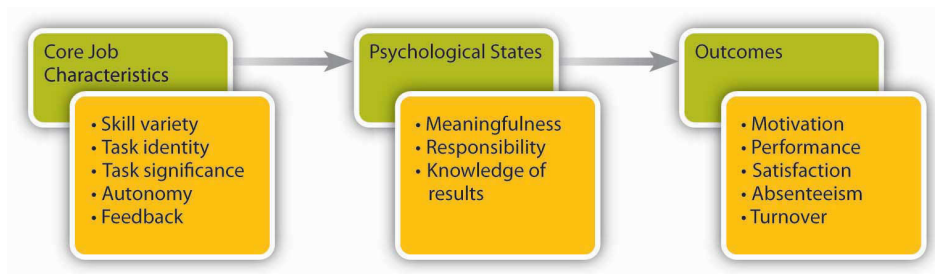
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**3.4 Motivation through Job Design**

There are many techniques to motivate employees through job design. The most prominent one is the Job Characteristics Model. The job characteristics model is one of the most

influential attempts to design jobs with increased motivational properties (Hackman & Oldham, 1975). Proposed by Hackman and Oldham, the model describes five core job dimensions leading to three critical psychological states, resulting in work-related outcomes.

Figure 6.3



The Job Characteristics Model has five core job dimensions.

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Feedback

Feedback refers to the degree to which employees learn how effective they are being at work. Feedback at work may come from various sources, such as supervisors, peers, subordinates, and customers, or it may come from the job itself.  Feedback helps the employees to analyse their job competencies as well as their weaknesses in their job. Employees can modify or adjust their working pattern keeping in view of their work feedback.

Stop to Consider

  ➢ There are many techniques to motivate employees through job design. The most prominent one is the Job Characteristics Model. The job characteristics model is one of the most influential attempts to design jobs with increased motivational properties (Hackman & Oldham, 1975).
  ➢ Skill variety, task identity, task significance, autonomy and feedback are the important characteristics to be considered while designing a job.

### 3.5 Motivation by empowerment

Motivating employees can encourage them to challenge themselves to produce at higher levels. Motivation through empowerment involves giving employees the freedom to work on their own within specified professional parameters. This, in turn, can lead to greater productivity for the organization and lower overall turnover and higher workplace morale. Motivating employees through empowerment includes-

### Set Goals

The organization should allow their employees to set appropriate work goals by themselves and to give them the required tools and resources it needs to be successful. Once objectives have been established, organization should allow employees to proceed on their own. The organization or the employer may ask for regular status reports, performance report of employees' work progress.

### Encourage Decision-Making

Empowering employees by allowing them to take part in decision making process is very helpful for the organization. The management may Allow employees to identify pros and cons of some key decisions, and make them educated and informed decisions on their own.

### Involve Employees

The management may include team members on critical decision-making processes and solicit their advice about projects, developments and business-growth strategies in order to make the employees empowered. This level of inclusion and empowerment can not only motivate employees, but also make them feel invested in the success of the organisation. When employees feel like their opinion is valued and their input desired, it can lead to reduced turnover, and increased overall productivity and effectiveness.

### Reward Performance

Performance based reward may be a tool to empower employees towards high level of motivation. The management may show team members the value of their contributions by introducing profit-sharing, bonus programs or simply recognizing their achievements. Acknowledging the worth of employees creates an atmosphere in which employees feel they are an important part of the organisation.

### Encourage Professional Development

Management may develop a mentoring program or encourage continuing education, professional development and enrichment opportunities for their employees. By investing

in the career potential of the employees and giving them the tools to make them more knowledgeable in their field, Employees could be felt empowered to advance in the industry and are more likely to be motivated to succeed.

Feedback

Management may empower employees to evaluate their own and their peer performances. This approach allows employees to participate in the strategizing and operational aspects of the business.

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Stop to Consider

➢ Motivation through empowerment involves giving employees the freedom to work on their own within specified professional parameters.

➢ Motivation through empowerment includes-

Allow employees to set their own goals

Encourage employees in decision making process

Implementation of performance based reward system

Encourage employees towards professional development

Involve employees in some of the key activities of the organisation

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### 3.6 Motivation by goal setting

In1960's, **Edwin Locke** put forward the Goal-setting theory of motivation. This theory mentions that goal setting is essentially linked to task performance. It mentions that specific and challenging goals along with appropriate feedback contribute to higher and better task performance.

In simple words, setting of goals indicate and give direction to an employee about what needs to be done and how much efforts are required to be put in.

The important **features of goal-setting theory** are as follows:

- The willingness to work towards attainment of goal is a source of job motivation. Clear, particular and difficult goals give higher motivation than easy, general and vague goals.

- **Specific and clear** goals lead to systematic work , greater output and better performance. Unambiguous, measurable and clear goals accompanied by a deadline for completion avoids misunderstanding of goals among employees.

- Goals should be **realistic and challenging**. This gives an individual a feeling of pride and triumph when he/she works towards the attainment of goals, attains them, and sets him/her up for attainment of next goal. The more challenging the goal, the greater is the reward generally and the more is the passion for achieving it.

- Employees' Participation of setting goal, makes goal more acceptable and leads to more employee involvement towards its attainment.

**Goal setting theory has certain eventualities such as:**

a. **Self-efficiency-** Self-efficiency is intrinsic in nature which is based on the individual's self-confidence and faith that he/she has potential of performing the task. Higher the level of self-efficiency, greater will be the efforts put in by the individual when he/she face challenging tasks. While, lower the level of self-efficiency, less will be the efforts put in by the individual or he might even quit while meeting challenges.

b. **Goal commitment-** Goal setting theory assumes that the individual has commitment towards the attainment to the goal and will not leave the goal. The goal commitment is dependent on the following factors:
   i. Goals are made open, known and broadcasted to all the employees.
   ii. Goals should be set-self by individual rather than designated.
   iii. Individual's set goals should be consistent with the organizational goals, policies and vision.

**Advantages of Goal Setting Theory**

- Goal setting theory is a technique used to raise motivation for employees to complete work quickly and effectively.

- Goal setting leads to better performance by increasing motivation and efforts, but also through increasing and improving the feedback quality.

**Limitations of Goal Setting Theory**

- At times, the organizational goals are in conflict with the individual goals. Goal conflict has a detrimental effect on the performance if it motivates incompatible action drift.
- Very difficult and complex goals stimulate riskier behavior or outcomes.
- If the employee lacks skills and competencies to perform actions which are essential for goal, then the goal-setting can fail and lead to undermining of performance.

Stop to consider

- ➢ In1960's, **Edwin Locke** put forward the Goal-setting theory of motivation. This theory mentions that goal setting is essentially linked to task performance.
- ➢ Setting of goals indicate and give direction to an employee about what needs to be done and how much efforts are required to be put in.

**3.7 Motivation and performance**

Motivation multiplies the performance of employees that we are able to achieve with certain abilities. Therefore, the relationship between motivation and performance can be mathematically depicted as follows:

Performance = skills x motivation.

Work performance of the employees depends on the consistency of motivation, skills and working conditions. Employee performance is the final result of particular tasks which was made by employee, where the is employee responsible for and which will be evaluated. In other words, work performance is the result of a specific work in a certain quality in a certain time.

Work performance is affected by many factors. First, it is influenced by the skills of employees and the level of their motivation, but it is also influenced by work conditions are created for employees for the full application of their skills or abilities and knowledge. Organisations which have the effort to achieve better performance and greater
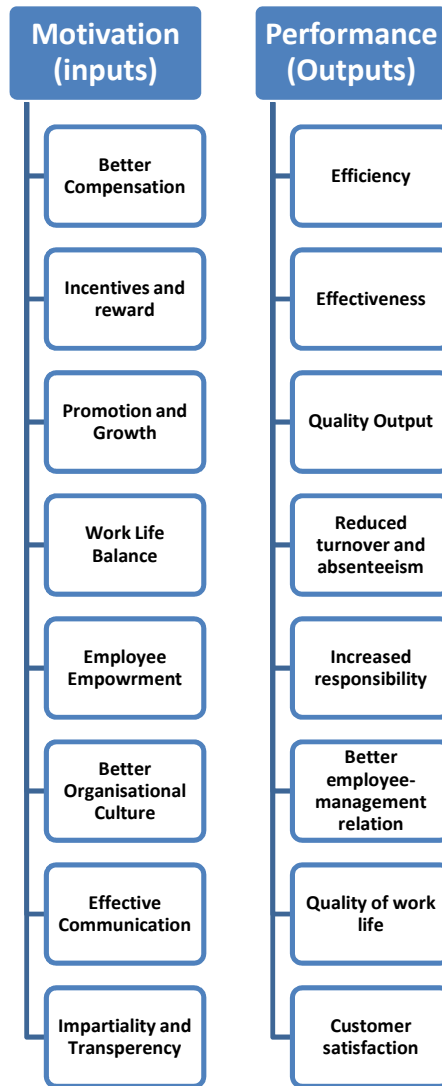
competitiveness through their employees, should focus mainly on the effectiveness of its motivational systems and working conditions.

Armstrong has defined four basic areas that affect performance as follows:

> Employees, which have the right level of skills, motivation, support and incentives to work effectively;
> Working group or working team of the employee, whose members will have strong positive or negative impact on the attitudes, behavior and performance of the employee;
> Manager or supervisor, who for the interests in performance has to provide continuous support and act as a role model, coach and stimulator to the employee;
> The organization, which can create an efficient structure, culture or working system.

Therefore, it is understood that the high level motivation of employees leads to better performance of themselves as well as of the organization. In order to enhance motivation certain inputs are to be provided by the organization to their employees such as better compensation, bonus and rewards, work life balance, promotion and growth, better organizational culture, employee empowerment, effective communication, impartiality and transparency etc.

In return, the motivated employees perform their tasks with efficiency and effectiveness which help the organization to perform better in its overall operation. Below in the figure, the relationship between motivation and performance is depicted-

| Motivation (inputs) | Performance (Outputs) |
|---|---|
| Better Compensation | Efficiency |
| Incentives and reward | Effectiveness |
| Promotion and Growth | Quality Output |
| Work Life Balance | Reduced turnover and absenteeism |
| Employee Empowrment | Increased responsibility |
| Better Organisational Culture | Better employee-management relation |
| Effective Communication | Quality of work life |
| Impartiality and Transperency | Customer satisfaction |

Stop to consider

➢ Motivation multiplies the performance of employees that we are able to achieve with certain abilities. Therefore, the relationship between motivation and performance can be mathematically depicted as follows:

Performance = skills x motivation.

➢ High level motivation of employees leads to better performance of themselves as well as of the organization. In order to enhance motivation certain inputs are to be provided by the organization.

### 3.8 Summing Up

➢ Job design refers to how a set of tasks, or an entire job, in an organization is organized. Through proper job design, organizations try to raise the motivation of employees so that the productivity and efficiency of the organization could be raised to the optimum level.

➢ There are many techniques to motivate employees through job design. The most prominent one is the Job Characteristics Model.

➢ Motivation through empowerment involves giving employees the freedom to work on their own within specified professional parameters.

➢ In1960's, **Edwin Locke** put forward the Goal-setting theory of motivation. This theory mentions that goal setting is essentially linked to task performance.

➢ Motivation multiplies the performance of employees that we are able to achieve with certain abilities. Therefore, the relationship between motivation and performance can be mathematically depicted as follows:

Performance = skills x motivation.

### 3.9 References

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➢ Luthans Fred (2011). Organisational Behaviour an evidence based approach (12 th edition) Irwin. McGraw Hill

### Questions-

1. What is job design? Discuss the characteristics of good job design
2. Write a note on motivation by empowerment
3. Discuss the goal setting theory of motivation
4. Discuss the relationship between motivation and performance

# BLOCK IV : Unit-1

# Trait, Behavioural, and Contingency Theories of Leadership.

**Unit Structure**

## 1.1 Introduction

The origins of the Trait Theory can be traced back to the early 20th century when researchers sought to identify the unique attributes of effective leaders. Initial studies largely focused on physiological, demographic, and personality traits. Over time, as research methodologies evolved and became more sophisticated, the understanding of leadership traits grew deeper, encompassing a broader range of personal attributes.

Throughout human history, there have been special individuals who have stood out and have been remembered as iconic leaders. These people aren't just remembered for what they achieved but also for the distinct qualities they possessed. For instance, when we think of names like

Mahatma Gandhi, Nelson Mandela, Steve Jobs, Narayana Murty, and Ratan Tata, we not only recall their major contributions but also the core values and attributes that they represented.

## 1.2 Objectives

After going through this unit, you will be able to

- Understand the Genesis of Trait Theory
- Understand the Behavioural Theory of Leadership
- Discuss the various Contingency Theories
- Identify the various Contingency Factors

## 1.3 The Genesis of Trait Theory

The roots of trait theory are anchored in the belief that leadership is not something that can be acquired, but is rather innate. This perspective is crystallized in the adage, "leaders are born, not made." Central to this ideology is the "Great Man Theory," a brainchild of Thomas Carlyle from 1949. This theory asserts that when there's a dire need for leadership, exceptional leaders will rise to the occasion. Such leaders, as the theory claims, are distinct, equipped with traits like intelligence and ambition. However, a significant oversight of this theory was its blatant ignorance of female leadership, mirroring the gender biases prevalent during its inception.

Initially, trait theory postulated that leadership was an innate quality—summed up in the popular notion that "leaders are born, not made." This perspective was rooted in the "Great Man Theory," introduced by Thomas Carlyle in 1949, suggesting that extraordinary leaders emerge when the need for their leadership becomes paramount. It held that leaders were distinct from average individuals, boasting unique traits such as intelligence and ambition. Notably, this theory overlooked female leadership, a reflection of the gender biases of its time.

## 1.4 Key Traits Associated with Leadership

The 1960s saw extensive research on leadership traits, resulting in the identification of around 80 potential traits inherent to leaders. The essence of trait theory is the belief that individuals inherit

leadership qualities, with effective leaders possessing the right mix. By 1974, Stogdill had distilled this to several critical traits and skills:

**Key Traits**:

- Situationally adaptable

- Socially alert

- Driven by ambition and a desire to achieve

- Assertiveness

- Cooperative nature

- Decisiveness

- Dependability

- Desire to influence (Dominance)

- High energy levels

- Persistence

- Self-confidence

- Stress tolerance

- Responsibility acceptance

**Essential Skills**:

- Intelligence

- Conceptual thinking

- Creativity

- Diplomacy and tact

- Articulation and fluency in speech

- Task-related knowledge

- Organizational capabilities

- Persuasiveness

- Social adeptness

### 1.4.1: The Big Five and Leadership

A landmark in leadership studies was the advent of the Big Five Personality Framework. While numerous traits were pinpointed across various studies, many of them fit within the Big Five's purview. This framework suggests that extroverted, conscientious, and open-minded individuals have a leg up in leadership roles, indicating that successful leaders do share some core traits.

### 1.4.2: The Role of Emotional Intelligence

In the contemporary leadership discourse, Emotional Intelligence (EI) has gained prominence. EI proponents believe that true leadership transcends analytical prowess and innovative ideas. A leader's ability to empathize, listen, and intuitively read others' reactions is pivotal. Essentially, a high degree of EI, which hinges on empathy and understanding, is invaluable in leadership.

In sum, while inherent traits can predispose individuals to leadership, the journey of becoming an inspiring leader is complex and multi-dimensional.

While inherent traits might give some individuals a predisposition towards leadership, the path to becoming a truly inspirational leader is intricate and multi-faceted. Not only are specific traits and skills essential, but so are emotional intelligence and the ability to adapt and grow in response to changing circumstances and challenges.

### 1.4.3: Concerns with the Trait Theory

Like all theories, the Trait Theory has its critics:

*Criticisms***:**

- **Inconsistencies:** Different studies sometimes give different traits, leading to a lack of agreement.
- **Not All-inclusive:** Just looking at traits can miss other leadership elements, such as skills, situational factors, and experience.
- **Nature vs. Nurture Debate:** The theory leans more towards people being born leaders, ignoring the fact that leadership qualities can also be developed over time.
- **Too Individual-centric:** By focusing only on the individual, it overlooks the importance of teams, organization culture, and other external factors that can influence leadership.Not all individuals with these traits become successful leaders, and not all successful leaders possess all these traits

To sum up, while some people might naturally have leadership traits, the journey to becoming an influential leader is complex. It's a mix of inherent traits, learned skills, emotional intelligence, adaptability, and responding to challenges.

**1.5: The Behavioural Theory of Leadership**

While the Trait Theory of Leadership focuses on the inherent qualities or traits of leaders, the Behavioural Theory turns its attention to the specific behaviours and actions leaders exhibit. In essence, it's more about what leaders do than who they inherently are.

**Historical Background**

The Behavioural Theory emerged during the mid-20th century as a reaction to the Trait Theory. Researchers began to believe that leadership was more than just inherent traits. They believed that effective leadership could also be defined by specific patterns of behaviour that could be learned and practiced.

**Key Concepts**

1. **Leadership Styles:** One of the primary outcomes of behavioural research was the identification of specific leadership styles. Some of the most recognized styles include:

- **Autocratic Leadership:** The leader makes decisions unilaterally without much input from group members.

- **Democratic Leadership:** The leader seeks input from group members, promotes participation, and practices shared decision-making.

- **Laissez-Faire Leadership:** The leader takes a hands-off approach, allowing group members to make most decisions.

2. **Task vs. Relationship Behaviours:** Researchers identified two main types of behaviours:

- **Task-Oriented Behaviours:** Focus on tasks, assignments, and end goals. Leaders concerned with task-oriented behaviours ensure that team members know their roles, and they closely supervise their performance to ensure the completion of tasks.

- **Relationship-Oriented Behaviours:** Focus on fostering good relationships among team members, ensuring their well-being, and maintaining a positive team atmosphere.

3. **Grid Theory:** Developed by Blake and Mouton in the 1960s, this framework is often represented as a grid with concern for production on one axis and concern for people on the other. Leaders are plotted on the grid based on their behavioural tendencies, leading to styles like "Country Club" (high people concern, low task concern) or "Team Leader" (high people concern, high task concern).

**Implications**

1. **Learnable Leadership:** One of the most encouraging aspects of the Behavioural Theory is the idea that leadership is not just about inherent traits, but it's also about behaviors that can be learned, practiced, and developed. This democratizes leadership, suggesting that with the right training, anyone can become an effective leader.

2. **Flexibility:** Leaders can adapt and change their behaviours based on the situation or the needs of the group, making them more versatile.

**Limitations**

1.  **One Size Doesn't Fit All:** While the theory identifies general behaviours that can lead to effective leadership, it doesn't consider that different situations or groups might require different leadership styles or behaviours.

2.  **Overemphasis on Observable Behaviour:** The theory focuses primarily on what can be directly observed and might not account for the underlying motivations, beliefs, or internal factors that drive a leader's actions.

**Conclusion**

The Behavioural Theory of Leadership broadened our understanding of leadership by shifting the focus from innate traits to learned behaviours. It emphasized that leadership is not just about who you are but also about what you do and how you act in various situations. While the theory has its limitations, it has contributed significantly to leadership training and development programs worldwide.

**1.6: Leadership Studies:**

**A) Ohio State Leadership Studies**: In the realm of leadership research, one cannot bypass the significant contributions made by the Ohio State Studies. Initiated in the mid-20th century, these studies provided pivotal insights into the behaviours that characterize effective leaders.

**Historical Context**

Conducted by Ohio State University in 1945, the leadership studies were spearheaded by notable researchers E.A. Fleishman, E.F. Harris, and H.E. Burtt. Their aim was to delve deeper into the behavioural aspects of leadership, moving away from the trait-focused views predominant at the time.

**Key Findings and Concepts**

1.  **Two Primary Dimensions:** The studies resulted in the identification of two major dimensions of leadership behavior:

- **Initiating Structure:** This relates to the extent to which a leader defines their role and the roles of group members. It emphasizes task-oriented behaviors, such as organizing tasks, setting standards, and emphasizing deadlines. Leaders who score high in this dimension tend to be more directive and task-focused.

- **Consideration:** This pertains to the extent to which a leader establishes mutual trust with their subordinates and maintains their welfare. Leaders who demonstrate high consideration behaviours show concern for their team members' feelings and needs, promoting a supportive and friendly environment.

2. **Questionnaires:** The research team developed questionnaires, most notably the *Leader Behavior Description Questionnaire (LBDQ)*, to measure these dimensions. The LBDQ was used to gather subordinates' perceptions of their leaders' behaviours.

3. **Distinct but Not Mutually Exclusive:** The Ohio State Studies highlighted that initiating structure and consideration were distinct dimensions. This means a leader could demonstrate high levels of both or low levels of both, or be high in one and low in the other.

**Implications and Relevance**

1. **Broad Application:** The two dimensions identified are applicable across various organizational contexts and levels, making them a versatile tool for understanding leadership behavior.

2. **Training and Development:** By understanding the dimensions of initiating structure and consideration, organizations can better tailor their leadership development programs, ensuring that leaders are equipped to demonstrate both task and people-oriented behaviors effectively.

3. **Assessment and Feedback:** Tools like the LBDQ, which emerged from the studies, allow for continuous assessment of leadership behaviors, providing leaders with feedback and areas for improvement.

**Conclusion**

The Ohio State Studies, with their foundational exploration into leadership behaviors, have indelibly marked the field of leadership research. The emphasis on both task and relationship-oriented behaviors has equipped organizations with a more holistic understanding of leadership, promoting a balanced approach that values both task completion and interpersonal relationships.

**b) University of Michigan Leadership Studies**: Leadership has been a subject of study at numerous academic institutions. While the Ohio State University Studies are frequently cited, the University of Michigan's Research centers also made significant contributions in this realm. Commencing a year after the Ohio State studies, in 1946, the University of Michigan's team, led by Rensis Likert and his colleagues, embarked on their exploration of leadership behaviors.

**Historical Background**

The University of Michigan initiated these studies with the goal of identifying the principles and methods of leadership that led to productivity and job satisfaction among employees. Rensis Likert, a pioneering researcher in this domain, guided the team to distinguish the characteristics of effective leaders from those of less effective ones.

**Key Findings and Concepts**

1. **Two Primary Leadership Styles:**

   - **Employee-Oriented Leaders:** These leaders prioritize the needs, aspirations, and well-being of their employees. They develop personal, meaningful relationships with their team members and value their individual contributions. Such leaders are often likened to coaches or mentors, guiding their team towards success.

   - **Production-Oriented Leaders:** These leaders focus primarily on the task at hand, emphasizing the completion of assignments and the efficiency of processes. Their main concern is achieving organizational goals and maintaining high productivity levels.

2. **Relationship Between Leadership Style and Productivity:** The Michigan studies found that employee-oriented leaders generally produced higher levels of job satisfaction and productivity among their subordinates compared to production-oriented leaders.

3. **Participative Leadership:** A key component of Rensis Likert's research was the introduction of the concept of 'participative leadership.' This style promotes a collaborative decision-making process where employees have a say in decisions that affect their jobs and work environment.

**Implications and Relevance**

1. **Balanced Leadership:** While the Michigan studies emphasized the benefits of an employee-oriented approach, they also highlighted the importance of not neglecting the task-oriented aspects. Effective leadership often requires a balance between focusing on relationships and ensuring task completion.

2. **Enhancing Job Satisfaction:** By understanding the positive effects of employee-oriented leadership on job satisfaction, organizations can foster work environments where employees feel valued and motivated.

3. **Promoting Collaboration:** The participative leadership style, which encourages collaboration and joint decision-making, can lead to more innovative solutions and a more engaged workforce.

**Conclusion**

The University of Michigan Leadership Studies, under the guidance of Rensis Likert and his team, provided valuable insights into the nature of effective leadership. By highlighting the importance of a leader's orientation, either towards employees or production, and by introducing the concept of participative leadership, these studies have enriched our understanding of leadership dynamics and the elements that contribute to organizational success.

**1.7: Contingency Theories**

**Fiedler's Contingency Model of Leadership**

Introduction

Fiedler's Contingency Model, developed by Fred Fiedler in the 1960s, proposes that there is no one best style of leadership. Instead, a leader's effectiveness is based upon the situation. This model is considered one of the seminal frameworks that integrates the situational variables into the leadership paradigm, offering a more dynamic approach compared to the one-size-fits-all strategy.

Core Concepts

The model is grounded in two key concepts:

1. **Leadership Style:** Fiedler believed that leadership style is fixed and can be measured using the Least Preferred Co-Worker (LPC) scale. This scale asks leaders to think of a person with whom they've worked with, that they would like least to work with again, and then rate this person on a range of qualities. If the leader gives their least preferred coworker a high score, they are considered relationship-oriented. A low score indicates a task-oriented leader.The Least Preferred Co-worker (LPC) questionnaire is a tool developed by Fiedler to categorize leaders as either task-oriented or relationship-oriented. Respondents rate a co-worker they least enjoyed working with on a scale of 1 to 8 across 16 contrasting adjectives. A high LPC score indicates a relationship-oriented leader, while a low score is indicative of a task-oriented leader.

2. **Situational Favourableness:** This refers to the degree to which the situation gives the leader control and influence over the group outcomes. It is determined by three factors:

Fiedler identifies three critical situational dimensions that affect the leader's control and influence over a group:

Leader-Member Relations: This refers to the extent of trust, respect, and confidence that team members have in their leader. A positive relationship enhances the leader's influence.

Task Structure: This pertains to the clarity and procedurization of job assignments. A highly structured task augments the leader's authority.

Position Power: This dimension speaks to the leader's authority to administer rewards and penalties. The more extensive the leader's power, the more control they exert over the group.

The Model

Matching Leaders with Situations

Fiedler's model encapsulates eight possible situational categories formed by combining the three situational dimensions. The theory proposes that matching the leader's LPC score with these categories can optimize leadership effectiveness. Task-oriented leaders are most effective in situations that are either highly favorable or highly unfavorable to them. In contrast, relationship-oriented leaders thrive in moderately favorable situations.

Fiedler's model asserts that the performance of a leader is contingent upon how well the leader's style fits the context. It outlines the following:

- **Task-Oriented Leaders:** These leaders perform best in situations that are either highly favorable or highly unfavorable. They focus on providing clear direction and instructions to complete tasks efficiently.

- **Relationship-Oriented Leaders:** These leaders excel in situations that are moderately favorable. They focus on building relationships, boosting team morale, and facilitating collaboration.

Application

Implementing Fiedler's findings involves aligning leaders, as per their LPC scores, with situations characterized by leader-member relationships, task structure, and position power. Given that Fiedler considers leadership style as fixed, enhancing leader effectiveness is achievable by either changing the leader to suit the situation or modifying the situation to align with the leader's style.

To apply Fiedler's Contingency Model, follow these steps:

1. **Identify Leadership Style:**

   - Administer the LPC scale to identify whether the leader is task or relationship-oriented.

2. **Analyze the Situation:**

   - Evaluate leader-member relations, task structure, and position power to determine the situational favorableness.

3. **Match the Leader to the Situation:**

   - Place the leader in a situation where their style is most likely to be effective. If this isn't possible, restructure the task or alter the leader's position power to improve fit.

Criticisms and Considerations

While Fiedler's Contingency Model has been influential, it's not without criticism. Critics argue that leaders can adapt their styles. Furthermore, the model's complexity and the difficulty in changing leaders or situations to achieve the optimal fit can be limiting.

Conclusion

Fiedler's Contingency Model underscores the complex nature of leadership, where the leader's style and the situational context are intimately intertwined. By meticulously considering this relationship, organizations can orchestrate a symphony of enhanced group performance and leadership effectiveness, tailored to the unique melodies of each specific context.

**1.8: Situational Leadership Theory (SLT)**

Introduction

Situational Leadership Theory (SLT) is a unique approach to leadership that centers around the followers rather than the leader. It posits that effective leadership is defined by the leader's

ability to adapt their style based on the readiness level of the followers to perform a specific task. Here, readiness refers to the followers' willingness and capability to undertake the task at hand.

Core Concepts of SLT

**Follower Readiness**

SLT identifies four levels of follower readiness, each requiring a different leadership approach:

1. **Unable and Unwilling:** When followers lack the skills and motivation to perform a task, the leader needs to provide clear, specific directions and closely supervise their performance.

2. **Unable but Willing:** In cases where followers are motivated but lack the necessary skills, the leader should adopt a coaching style, offering directions and support to build confidence and capabilities.

3. **Able but Unwilling:** For skilled yet demotivated followers, the leader should adopt a supportive and participative style, encouraging and involving them in decision-making to boost their commitment.

4. **Able and Willing:** When followers are both skilled and motivated, the leader can adopt a delegating style, providing minimal supervision and allowing them to take charge of their tasks.

**Leadership Styles**

SLT suggests four corresponding leadership behaviours:

1. **Directing:** Offering explicit instructions and supervision to guide followers.

2. **Coaching:** Combining direction with support to build followers' skills and motivation.

3. **Supporting:** Encouraging and participating with followers to enhance their confidence and involvement.

4. **Delegating:** Empowering skilled and motivated followers to take responsibility.

Application of SLT

SLT is intuitive and popular because it underscores the pivotal role of followers in the leadership process. It is grounded in the real-world scenario where leaders need to tailor their approach based on the distinct needs, skills, and motivation levels of their followers.

Critical Evaluation

However, it's essential to approach SLT with caution. Research testing the theory has yielded mixed results. Ambiguities and inconsistencies within the model, coupled with methodological issues in testing, have raised questions about its empirical validity.

Conclusion

Imagine a teacher (the leader) adapting their teaching style depending on the students' (followers') readiness to learn a particular topic. The teacher might offer more guidance for complex topics and allow students more independence with familiar material. Although SLT has its challenges, it provides valuable insights into the dynamic interplay between leaders and followers, underscoring the necessity for adaptability in leadership.

**Exploring the Path-Goal Theory of Leadership**

Introduction

The Path-Goal Theory, developed by Robert House, is a leadership model that integrates elements from the Ohio State leadership research on initiating structure and consideration, as well as the expectancy theory of motivation. This theory posits that a leader's primary role is to facilitate followers in overcoming obstacles, enabling them to achieve their goals more efficiently.

Core Concepts

**Leader's Role**

According to the Path-Goal Theory, leaders should adapt their style to provide followers with the necessary tools, support, and information to accomplish their tasks. The term "path-goal" is

derived from the idea that effective leaders clarify the path to work goals for their followers and alleviate roadblocks along the way.

**Leadership Styles and Situational Factors**

The theory identifies several leadership behaviours:

1. **Directive Leadership:** This style is beneficial when tasks are ambiguous or stressful. Leaders provide clear instructions and guidance, reducing uncertainty.

2. **Supportive Leadership:** This style is most effective for structured tasks. Leaders offer emotional support, encouragement, and care about the well-being of their followers.

The theory suggests that directive leadership can be seen as redundant for highly experienced or skilled employees, as they may not require detailed guidance or instruction.

Application and Testing

Application of the Path-Goal Theory involves leaders assessing the nature of the task and the characteristics of the followers to determine the most appropriate leadership style. However, testing the theory empirically has been challenging due to its complexity. While some evidence supports the idea that removing obstacles is a component of effective leadership, there is a lack of consensus on the overall validity of the theory.

Conclusion

For example, consider how a coach helps athletes reach their peak performance. The coach assesses each athlete's skills and the challenges of the sport, providing tailored support to ensure each athlete can overcome obstacles and reach their goals. Despite the mixed evidence supporting the Path-Goal Theory, it offers valuable insights into the adaptable nature of effective leadership, emphasizing the importance of aligning leadership styles with followers' needs and task demands.

**The Leader-Participation Model**

Introduction

The Leader-Participation Model, conceived by Victor Vroom and Phillip Yetton, is a contingency theory that underscores the significance of the decision-making process in leadership. It postulates that the effectiveness of a leader is not solely determined by the decisions they make but also by how they involve their team in the decision-making process.

Core Concepts

**Leadership Behavior and Decision Making**

The model is intricately linked to the task structure and requires the leader to adapt their behavior accordingly. It provides a normative approach, offering a decision tree that incorporates seven contingencies and five leadership styles to aid leaders in determining the extent and manner of participation in decision making.

**The Decision Tree and Leadership Styles**

The Leader-Participation Model is complex, involving a variety of contingencies and leadership styles. It requires leaders to consider multiple factors and navigate through different decision branches, which can be intricate and challenging.

The model outlines five different leadership styles, ranging from autocratic to consultative to group-based decision-making:

1. **Autocratic Type I (AI):** The leader makes the decision alone without input from team members.

2. **Autocratic Type II (AII):** The leader collects the required information from followers, then makes the decision alone. The decision may or may not reflect the followers' input.

3. **Consultative Type I (CI):** The leader shares the problem with individual followers, gets their ideas and suggestions without bringing them together as a group, then makes the decision. The decision may or may not reflect the followers' input.

4. **Consultative Type II (CII):** The leader shares the problem with followers as a group, collectively obtains their suggestions, then makes the decision alone. The decision may or may not reflect the followers' input.

5. **Group-Based Type II (GII):** The leader shares the problem with followers as a group, and together they generate and evaluate alternatives and attempt to reach a consensus on a solution. The leader acts as a facilitator rather than seeking to influence the outcome.

**1.9 Contingency Factors**

Vroom and Yetton identified a set of seven contingencies that leaders should consider when deciding on their approach to decision-making:

1. The importance of decision quality.

2. The importance of follower commitment to the decision.

3. Whether the leader has enough information to make a quality decision.

4. Whether the problem is structured or unstructured.

5. Whether an autocratic decision would receive follower commitment.

6. Whether followers are likely to agree with one another.

7. Whether followers have the expertise to contribute to the decision-making process.

Decision Tree

The Leader-Participation Model provides a decision tree that guides leaders through a series of questions based on the seven contingencies. Leaders answer these questions to determine the most appropriate decision-making style for the given situation.

Criticisms and Limitations

Though innovative, this model has been critiqued for its complexity. It can be impractical to apply in fast-paced business environments where quick decision-making is often essential. Moreover, the empirical support for the model has been mixed, and some critics argue that it omits significant variables that can influence the decision-making process.

**Conclusion**

Despite these challenges, the Leader-Participation Model remains a significant contribution to the study of leadership and decision-making. It underscores the importance of situational factors and promotes a flexible approach to leadership, where the leader's role and involvement adapt to meet the specific needs of each situation and the team members involved.

**1.10: References:**

- Robbins, S. P., & Judge, T. A. (2017). *Organizational behavior* (17th ed.). Pearson.
- Robbins, S. P. (2020). *Organizational behavior: Understanding and managing life at work* (12th ed.). Pearson.
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**1.11: Model Questions: Short Answer Type Questions**

**Trait Theory:**

1. What are the core traits often associated with effective leadership according to the Trait Theory?

2. How does Trait Theory explain the influence of personal characteristics on leadership effectiveness?

3. Can leadership traits be developed, or are they innate? Explain briefly.

4. What are the limitations of relying solely on Trait Theory to understand leadership effectiveness?

5. How has Trait Theory evolved over time in the field of leadership studies?

**Behavioural Theory - Ohio Studies:**

1. What are the two primary behaviors identified in the Ohio State Leadership Studies?

2. Briefly explain the concept of "consideration" in the context of the Ohio State Leadership Studies.

3. How does "initiating structure" contribute to leadership effectiveness according to Ohio Studies?

4. What is the managerial grid, and how is it related to the Ohio State Leadership Studies?

5. Can leaders exhibit both high consideration and high initiating structure according to Ohio Studies?

**Behavioural Theory - Michigan Studies:**

1. What are the key behavioural dimensions identified in the Michigan Leadership Studies?

2. How do "employee-oriented" and "production-oriented" leadership styles differ?

3. How does the Michigan Studies' approach to leadership behavior differ from the Ohio State Leadership Studies?

4. What impact does an "employee-oriented" leadership style have on team performance and morale?

5. Briefly describe the leadership behavior categorizations resulting from the Michigan Leadership Studies.

**Contingency Theory of Leadership:**

1. How does the Contingency Theory of Leadership differ from Trait and Behavioral Theories?

2. Briefly explain Fiedler's Contingency Model.

3. What role does situational favorableness play in determining leadership effectiveness in Contingency Theory?

4. How does a leader's style interact with situational factors according to the Contingency Theory?

5. Name one criticism of the Contingency Theory of Leadership.

**Long Answer Type Questions**

**Trait Theory:**

1. Critically evaluate the Trait Theory of leadership, discussing its strengths, weaknesses, and applications in the modern organizational context.

2. Analyze how specific traits, such as intelligence and self-confidence, impact leadership effectiveness. Provide examples.

3. Discuss the evolution of Trait Theory over the decades and its relevance in today's diverse and dynamic work environments.

4. Explain with examples how Trait Theory can be integrated with other leadership theories to understand leadership effectiveness comprehensively.

5. Evaluate the role of emotional intelligence as a leadership trait and discuss its implications for organizational performance.

**Behavioural Theory - Ohio Studies:**

1. Provide a detailed analysis of the Ohio State Leadership Studies, including the concepts of "consideration" and "initiating structure" and their impact on organizational effectiveness.

2. Discuss the implications of the Ohio State Leadership Studies for modern leadership practice, including challenges and opportunities.

3. Analyze the relationship between consideration, initiating structure, and team performance, providing real-life examples.

4. Evaluate the criticisms and limitations of the Ohio State Leadership Studies and propose ways to address them.

5. How have the Ohio State Leadership Studies influenced subsequent leadership theories and models? Provide a comprehensive review.

**Behavioural Theory - Michigan Studies:**

1. Discuss in detail the Michigan Leadership Studies, highlighting the differences between "employee-oriented" and "production-oriented" leaders and their implications for organizational success.

2. Evaluate the impact of Michigan Studies on leadership development programs and organizational training.

3. How do the findings of the Michigan Leadership Studies apply to contemporary organizational challenges, including diversity and remote work?

4. Critically assess the limitations and criticisms of the Michigan Leadership Studies and propose enhancements to address these issues.

5. Analyze the integration of Michigan Studies' findings with other leadership theories to provide a holistic view of leadership effectiveness.

**Contingency Theory of Leadership:**

1. Provide a detailed analysis of the Contingency Theory of Leadership, highlighting its core components, applications, and implications for modern organizations.

2. Evaluate Fiedler's Contingency Model, discussing its strengths, weaknesses, and relevance in today's complex organizational environments.

3. Discuss the role of situational factors in determining leadership effectiveness according to Contingency Theory, providing examples.

4. Critically assess the challenges and criticisms of applying the Contingency Theory of Leadership in practice and propose solutions.

5. Analyze the evolution of the Contingency Theory and its integration with other leadership theories to address the dynamic and diverse challenges of contemporary organizations.

## BLOCK IV : Unit 2

## Leadership Styles- Emerging issues in leadership- Creating and Building a leader

**CONTENTS**

## 2.1 INTRODUCTION:

Why has developing leadership abilities become such a primary concern? To answer this question, we must first consider why leadership has become such a popular issue. In this context, leadership entails more than management and administration. It necessitates the ability to inspire collective effectiveness and motivate others. It also requires the ability to comprehend and respond to an increasingly complicated environment, whether it is the corporate environment in which a team works or the global market in which a company competes.The environment in which businesses operate has changed and is continuing to change at a rapid pace. This requires leaders to have a different and broader set of talents than in the past, with a higher emphasis on adaptability and the capacity to accept, understand, and respond to complexity. And leaders must be willing to put in just as much time knowing the external environment in which they compete as they do manage the internal governance and operational organisations. Because of the changing environment, this new type of leadership has become an increasingly valuable resource for any organisation hoping to stay ahead of the curve, or even just keep up with it(Joel Goldberg, 2017).

Three key tendencies are emerging, which are changing leadership and leadership development, within this context of rapid change and organisational responsiveness. The first is that as the need for good leadership develops, it is becoming a more scarce resource, and businesses are experiencing a strategic shortage of it. The second trend is that more employees are looking for leadership development, while some companies are less committed to growing their leadership resources. This is partly due to the realities of significant staff turnover, which means that leadership development can no longer be considered an investment in long-term personnel. The third trend is a problem of increasing employee

disengagement, in which more employees feel fundamentally disconnected from the concerns of their employers.   There are a variety of reasons for this, but one of the most well-known is that the employer-employee relationship no longer functions on the basis of loyalty or any expectation of long-term employment. Employees must be motivated in other ways, such as by the self-interest that leadership development can satisfy, or by the types of personal relationships, team unity, and engagement with the work at hand that only strong leadership at all levels of an organisation can provide.

## 2.2 OBJECTIVES

After going through this Unit, you would be able to

- ➢ define leadership styles;
- ➢ discuss leadership qualities and characteristic;
- ➢ explain leadership types; and
- ➢ examine the styles of leadership.

## 2.3 DEFINING LEADERSHIP STYLES

A leader's leadership style refers to how they give orders, carry out plans, and motivate others. Several authors have advocated those leaders in politics, business, and other sectors use a variety of leadership styles. In the military, studies on leadership style are conducted, indicating an approach that emphasises a comprehensive view of leadership, including how a leader's physical presence affects how others perceive that leader. Military bearing, physical fitness, confidence, and resilience are all components of physical presence in this situation. Agility, judgement, originality, interpersonal tact, and topic expertise are all part of a leader's conceptual abilities.Individuals with differential influence over goal setting, logistics for coordination, effort tracking, and incentives and punishment of group members are referred to as leaders. Tactical, technological, cultural, and geopolitical understanding are all part of domain knowledge.

The extent to which particular leadership styles generate follower confidence in leaders is one of the main reasons why they are connected with great outcomes for employees and businesses. Evidence reveals that when followers trust their leaders, they are more eager and able to go above and beyond to support their colleagues and company, as well as feel comfortable to speak up and express their thoughts.

The leadership styles were being investigated in the at the various stages in the year 1930 and since then the leadership style has been popular. When the traits and behaviours of leaders were investigated, they were classified as "task oriented" and "employee oriented." Scholars later enlarged this categorisation, resulting in numerous leadership styles. Leaders have the ability to influence and guide those who report to them, allowing an organisation to achieve its objectives more effectively. External elements such as the organisational environment, demography, staff traits, resources, economic and political considerations, technology, and the organization's culture influence leadership styles.

## 2.4 FACTORS INFLUENCING LEADERSHIP STYLES

The factors influencing the leadership styles are(*External Factors Affecting Leadership*, n.d.):



***Factors Influencing Leadership Styles***

1. **Environment of the Organization:** Organizations have their own unique work environment with their own set of values that are a legacy of previous and current leadership. These values define the organization's attitude toward investors, customers, employees, and the community, and they influence how the company is run. The organization's personality is defined by its goals, values, and concepts that characterise its products and services.

2. **Resources for the Organization:**To fulfil their objectives, leaders rely on organisational resources such as employees, technology, finances, and physical resources. How well resources are acquired and used determines managerial success.

3. **Employee Positions:**When an employee starts working for a company, the tasks and obligations he must fulfil in collaboration with others determine his job. Employees' levels of maturity in tackling tasks and relationships influence the leadership style required to guide them. Employees have an impact on the company because of their work ethic and personal values. Leaders must discover and eliminate pitfalls and bottlenecks in order to assist employees in completing their tasks.

4. **Culture of the Organization:** The founders, past and current leaders, history, and crises all contribute to an organization's culture. Because culture is the consequence of long-held information and formal processes, traditions, conventions, and norms that represent the organization's self-image and shared expectations, it is difficult to

change. Established rites, such as rituals, routines, and a standard method of doing things, have an impact on organisational norms, such as how a worker can maintain good standing and respond appropriately in a variety of situations.

5. **Sociological Factors:** To design products and services for certain demographics, leaders must understand the demographic makeup and cultures of the organization's clientele, as well as market trends.

6. **Economic and Political Factors:** To determine the economic and current political issues that affect the marketplace, leaders must educate themselves on their suppliers, consumers, and competitors. These elements have an impact on how leaders achieve their objectives.

7. **Technological Factors:** Overnight, technology can drastically alter the business landscape. To assist the organisation, the leaders must adapt to technology, leaders must change their management techniques. Leaders benefit from research and development because it allows them to develop new techniques that make operations more efficient.

## 2.5 QUALITIES OF LEADERSHIP

According to the research, the top leaders consistently possess the following critical leadership qualities(*What Are the Characteristics of a Good Leader?*, n.d.):

1. **Integrity:**The value of integrity should be self-evident. Integrity is an important leadership trait for both the individual and the business, even if it isn't always a statistic in employee evaluations. It's especially critical for top-level executives who are responsible for charting the organization's course and making a slew of other critical decisions. Our findings suggest that organisational integrity may be a possible blind spot. Ensure that your organization's executives at all levels are reminded of the value of honesty and integrity.

2. **Delegation Skills:** Delegating is one of a leader's most important roles, although it can be difficult to do it effectively. The goal isn't simply to free up time for yourself; it's also to help your direct reports grow, collaborate more effectively, have more autonomy, and make better decisions. To delegate more successfully, the best leaders create trust with their people.

3. **Communication**: Effective communication and effective leadership are inextricably linked. The finest leaders are skilled communicators who can convey knowledge, inspire people, and coach direct subordinates in a variety of ways. The quality and efficacy of leadership communication within your firm has a direct impact on the success of your business plan.

4. **Self-Awareness:** While this is a more inwardly focused trait, leadership requires self-awareness and humility. The more you know about yourself and acknowledge your own talents and flaws, the more effective a leader you can be. Do you have any idea how other people perceive you or how you present yourself at work? Spend some

time learning about the four dimensions of self-awareness and how to improve each one.

5. **Gratitude:**Being grateful can help you feel better about yourself, lessen melancholy and anxiety, and sleep better. Gratitude can even help one lead better. Despite the fact that most people believe they'd be willing to work more for a grateful employer, few people say "thank you" in the workplace on a daily basis. The most effective leaders know how to express genuine thanks in the workplace.

6. **Quickness in Learning:**The capacity to know what to do when you don't know what to do is known as learning agility. One might already be learning agile if you're a "quick study" or flourish in novel situations. Anyone, however, may improve their learning agility through practise, experience, and effort. To get started, look at how exceptional leaders are great learners with strong learning agility.

7. **Influence:**"Influence" has a negative connotation for some people. However, inspirational, effective leaders must be able to persuade others using logical, emotive, or cooperative arguments. Influence is not the same as manipulation, and it must be done in a genuine and honest manner. It necessitates emotional intelligence as well as trust. Learn how to use successful influence to change the game.

8. **Empathy:**Empathy is linked to job success and is an important component of emotional intelligence and leadership. According to our research, if you demonstrate more inclusive leadership and sympathetic behaviours toward your direct reports, you'll be perceived as a better performer by your supervisor. Furthermore, empathy and inclusion are essential for enhancing the working environment of others around you.

9. **Courage:**It's difficult to speak up at work, whether you're trying to express a fresh concept, give feedback to a direct report, or raise a concern with someone higher up. That is one of the reasons why strong leaders must have bravery. Courage allows leaders to stand up and advance things in the right direction rather than avoiding problems or allowing conflicts to fester.

10. **Respect:**One of the most crucial things a leader can do is treat people with respect on a daily basis. It will reduce tensions and conflict, build trust, and boost productivity. Respect encompasses more than the absence of disrespect, and it can be demonstrated in a variety of ways.

## 2.6 TYPES OF LEADERSHIP

The leadership type has been characterised in a variety of ways based on the nature of the leaders' ability to influence their followers. The following are the different types of leadership that have been discussed: feudal, paternal, dictatorial, participative, developmental, bureaucratic, manipulative, expert, and charismatic leadership (Fadia&Fadia, 2006; Sahni&Vayunandan, 2010):

1. **Feudal Leadership:** In feudal leadership, the relationship between a leader and his followers is similar to that of a lord and his subject. The employee of the organisation

is treated as an important member of the organisation, and the boss compensates him or her for fulfilling his or her current role.

2. **Paternal Leadership:** In this type of leadership, the leader and the employee have a father-son relationship. Be a result, under this typology, leadership is referred to as "paternal," and employees are regarded as family members. Because of their cultural setting, this form of leadership is highly popular in Japan.

3. **Dictatorial Leadership:** When a leader adopts a style in which he or she dictates terms to employees and expects that they obey the directions, the typology is referred to as "dictatorial." That is, in this typology, the boss issues commands and expects his or her subordinates to follow them religiously, while the organization's employees have no say in decision-making. However, dictatorship is no longer necessary, and people are expressing their discontent through tremendous opposition, low morale, and low production.

4. **Participatory Leadership:** In this typology, the leader takes a flexible approach in which the organization's employees are allowed to participate in the decision-making process, and rather than issuing orders, the leader simply shares his or her vision and ideas with the employees, and the decisions are reached through a group discussion. This type of leader believes in building a positive work environment and encouraging teamwork.

5. **Developmental Leadership:** The leader of this kind believes it is his/her responsibility to develop others. The leader believes that his or her subordinates have a lot of room for improvement, therefore he or she focuses on getting them to perform at their best.

6. **Bureaucratic Leadership:** A leader in this style is constrained by tight rules and regulations, and they want their employees to follow the procedures in a timely manner. A bureaucratic leadership style may be appropriate for a routine organisation when the leader's and employees' activities are routine in nature. Bureaucratic CEOs may not be ideal for large, flexible organisations with a complicated work environment. Employees' behaviour is determined by rules and processes under this typology, and no initiating or participation is authorised.

7. **Manipulative Leadership:** In this type, the leader manipulates the organization's workforce in order to achieve his own personal aims. This type of leadership mindset, however, cannot be sustained for long since people cannot be exploited indefinitely. As a result, once employees become aware of such manoeuvres, discontent grows within the company.

8. **Expert Leadership:** Expert leadership is a new type of leadership that has emerged as a result of increasing complexities in businesses. The individual leader's knowledge and skill serve as the foundation for expert leadership, and he or she assumes the role of a leader regardless of age, sex, physical appearance, or other characteristics.

9. **Charismatic Leadership:** Charisma is ascribed to a certain quality of an individual personality by virtue of which he/she is set aside from ordinary individuals and viewed as gifted with supernatural, superhuman, exceptional powers or qualities according to Max Weber. Charismatic leaders are viewed as having divine origins,

and their followers' acknowledgment is based on constant proof, which increases follower loyalty and enthusiasm.

## 2.7 LEADDRSHIP STYLES

Leadership is the practise of inspiring others to collaborate in order to achieve great things. As your career progresses and you gain leadership experience, you'll likely apply a variety of approaches and methods to achieve your organization's goals while engaging individuals who report to you. A leader's distinctive characteristics when directing, motivating, guiding, and managing groups of people are referred to as their leadership style. Political movements and social transformation can be ignited by great leaders. They can also inspire others to create, invent, and perform.

A group of academics led by psychologist Kurt Lewin set out in 1939 to explore various leadership styles. While subsequent research has since revealed more unique varieties of leadership, this early study was extremely significant, establishing three basic leadership styles that have served as a springboard for more defined leadership theories.

In Lewin's experiment, students were divided into one of three groups: authoritarian, democratic, or laissez-faire. The children were then taken through an arts and crafts project while researchers monitored their behaviour in response to various leadership styles. The researchers discovered that democratic leadership was the most successful in motivating followers to do their best. According to their studies, the leadership styles are categorised as follows(*What Are Prominent Leadership Styles and Frameworks You Should Know?*, n.d.):

1. **Authoritarian Leadership (Autocratic) Style:**Autocratic leaders, sometimes known as authoritarian leaders, set clear expectations for what must be done, when it must be done, and how it must be done. This style of leadership emphasises both the leader's authority and the followers' control. A significant distinction exists between the leader and the members. Authoritarian leaders make choices independently of the rest of the group, with little or no involvement.Under authoritarian leadership, researchers discovered that decision-making was less creative. Lewin also determined that transitioning from an authoritarian to a democratic approach is more difficult than the reverse. Abuse of this strategy is sometimes interpreted as dominating, bossy, and dictatorial.

   When there is minimal time for collaborative decision-making or the leader is the most knowledgeable member of the group, authoritarian leadership is most effective. When the issue requires quick choices and decisive measures, the autocratic style might be beneficial. However, it frequently pits followers against the overbearing leader, resulting in dysfunctional and even hostile workplaces.

2. **Participative Leadership (Democratic) Style:**Participative leadership, also known as democratic leadership, was determined to be the most effective leadership style in

Lewin's research. Democratic leaders provide direction to group members while also participating in the group and allowing feedback from others. Children in this group were less prolific than those in the authoritarian group in Lewin's study, but their contributions were of higher quality.

Leaders that encourage group participation while maintaining control over the decision-making process are known as participatory leaders. Members of the group are more driven and innovative since they are more involved in the process. Democratic leaders have a tendency to make followers feel that they are an important part of the team, which encourages devotion to the group's goals.

3. **Delegative (Laissez-Faire) Leadership Style:**Delegative leadership, sometimes known as laissez-faire leadership, was shown to be the least productive of the three groups by Lewin. This set of kids also put more pressure on the leader, exhibited little teamwork, and couldn't work independently.Delegative leaders provide little or no guidance to group members and let them make their own decisions. While this approach can be beneficial in instances when highly competent professionals are involved, it frequently results in ill-defined roles and a lack of drive. Laissez-faire leadership, according to Lewin, leads to disorganised organisations with members who blame each other for mistakes, fail to accept personal responsibility, make slower progress, and generate less work.

**Additional Leadership Styles:** Researchers have uncovered numerous other leadership tendencies in addition to the three styles established by other scholars. Some of them are:

i. **Affiliative Leadership Style:** Affiliative leaders work hard to form emotional relationships with their direct reports and team members. Leaders who use this approach prioritise people before profits and think that the team should always come first. This leadership style focuses on developing a sense of belonging to the organisation while also building trust within the team. Affiliative leaders are particularly good in boosting low morale, improving communication, and creating a pleasant working atmosphere during times of increased stress. Constant praise and nurturing can lead to performance difficulties being overlooked and disregarded as a result of this leadership style.

ii. **Bureaucratic Leadership Style:** Bureaucratic leaders are often risk averse and follow a textbook formula for how a leader should conduct. They differ from authoritarian leaders in that they solicit advice from others, but they are prejudiced in favour of following company policy or prior practises. Bureaucratic leaders are usually found in large, well-established enterprises or highly regulated workplaces where rigorous adherence to rules is required. Because the organisation is successful with the established processes, new ideas may be ignored. If something new and unusual is implemented and fails, time and resources will be wasted. This leadership approach stifles staff innovation and makes it difficult to respond to change effectively.

iii. **Coaching Leadership Style:** A coaching leader devotes a significant amount of time and effort to recognising and supporting each member of their team's specific abilities. They will invest time in developing strong relationships with direct reports in order to obtain a comprehensive grasp of each team member's hopes, beliefs, dreams, and values. Coaching leadership is comparable to democratic and affiliative leadership, but coaching leaders focus a greater emphasis on individual employee growth and achievement. Coaching leaders usually create a pleasant atmosphere in which encouragement and conversation are freely exchanged. Employees, on the other hand, frequently report feeling micromanaged. It's critical for coaching leaders to take a step back and breathe every now and then.

iv. **Emergent Leadership Style:** Emergent leadership is a style of leadership in which a team member is promoted to a leadership position without being appointed or elected. Instead, as a result of the team's interaction, their leadership evolves through time. An emergent leader must rely on persuasion rather than authority, and team members may not accept a new leader who has not been appointed or elected right away. Emergent leaders frequently use the concept of reciprocity and the exchange of favours to influence their teams. Relationships are at the heart of this leadership approach. The emergent leader must be skilled at building, sustaining, and repairing relationships in order for this style to work.

v. **Transactional Leadership Style:** Transactional leaders are exclusively interested in their employees' work. A transactional leader, which is common among sales teams, will typically establish a sales target and reward those who meet it with a bonus. There is no ambiguity when you work under a transactional leader because your role and obligations are well defined. The transactional leadership style, on the other hand, might be demotivating. Employees may accomplish the bare minimum at work if they are constantly aware of how much their effort is worth. A transactional leader may use spontaneous gestures of appreciation to try to keep staff engaged and motivated in these situations.

vi. **Transformational Leadership Style:** Continuous improvement is a priority for transformational leaders. They consistently push their employees beyond their comfort zones and set stretch goals for them. This approach is frequently related with charismatic leadership, which is based on the leader's charisma and persuasiveness. The most charismatic transformational leaders are superb communicators who are not only orally eloquent but also able to communicate with their people on a deep, emotional level. Transformational leadership is popular in high-growth companies because it inspires individuals to go above and beyond what they think they're capable of. Transformational leaders, on the other hand, run the risk of burning out direct reports if they don't have the necessary mentoring and direction to help them navigate additional tasks.

vii. **Visionary Leadership Style:** Visionary Organizations that seek to foster an innovative culture should enlist the help of visionary leadership. Visionary leaders are born problem solvers who use abstract thinking to envision possibilities that the majority of people cannot perceive. These "big picture" thinkers are able to not only perceive what is conceivable, but also communicate it effectively to their

team. Steve Jobs is an example of a visionary leader: he was most effective at encouraging forward momentum and building a culture of innovation during his two stints at Apple because he was enthusiastic, open-minded, and creative. It's critical for visionary leaders to be supported by a team with a varied range of abilities and skills. Visionary leaders like to stay out of the specifics and implementation.

## 2.8 EMERGING ISSUES IN LEADERSHIP

Emerging leaders may find themselves juggling competing demands in a complicated and unclear setting. Despite being highly driven, ambitious, and ready to succeed, they frequently lack support or senior role models to assist them in adjusting to their new position. Some scholars have discovered seven main leadership issuesfaced generally incorporateworld as(*Gateley - Seven Challenges for Emerging Leaders*, n.d.):

1. **Engagement vs. execution:** Across all business sectors, there is increased pressure to perform, but in order to focus on execution, there is less time to engage the team members who are so important to delivery. This can result in unproductive teams with a lack of dedication, which is often due to no fault of their own.
2. **Operations vs. strategy:** Too much emphasis on strategy can cause operational factors to be neglected; too much emphasis on operations can cause executives to lose sight of the bigger picture and miss opportunities. It's a difficult balancing effort made even more difficult by a leader's inherent bias for one side or the other.
3. **Management vs. leadership**: Individuals and groups expect their leaders to inspire them. Management, on the other hand, requires a different set of talents. Too much management can make people feel powerless, while too much leadership might leave individuals without the clarity they require.
4. **Work vs. personal life:** Emerging leaders put in long hours and are willing to go above and beyond to accept their new duties. This can be compounded by a lack of delegating ability or confidence. It's difficult to strike a healthy work/life balance, which leads to burnout and unsustainable effort.
5. **Friend vs. leader:** Emerging leaders sometimes find themselves in positions of authority over others who were formerly their peers. Rather than re-balancing their relationships to reflect their new duties, they frequently try to maintain friendships with their direct reports and struggle to gain the gravitas and authority that they require.
6. **Involvement vs. decisiveness:** Leaders are paid to make decisions, but they must also listen to the opinions of others in order to make the best decisions possible. Too much collaboration might be construed as indecisiveness, while too much autonomy can be construed as autocratic.
7. **Individuals vs. teamwork:** Successful organisations require teamwork, but individuals must be recognised and rewarded for their specific contributions. If this is done incorrectly, it can result in a general lack of motivation.

## 2.9 CREATING AND BUILDING A LEADER

The best technique for preparing for the future, according to the business experts, is to identify and nurture leaders within the organisation. The ability of an individual, group, or organisation to "lead," influence, or direct other individuals, teams, or entire organisations is confirmed by both research and actual application. Someone who can motivate their colleagues is a good leader. They work together to meet deadlines and targets while maintaining a great working reputation. Such leaders help people prepare for work, help them understand their responsibilities, and make sure that everyone has a job that is a good fit for them.

A vision for the future, well defined long-term goals, and a profound appreciation for people are required of all successful organisations. Leaders must be able to bring out the best in others as well. This involves a profound commitment to principles and the ability to tolerate and rise above adversities, paving the way for the chances that come with them. The ways for creating and building a future leader can be understood by the following steps(*How to Be a Good Leader - Businessnewsdaily.Com*, n.d.):

1. **Engage in honest, open communication:** Creating an open channel of communication with the team members is one of the most crucial aspects of good leadership. Active communication skills and transparency can help your team create trust and enhance overall morale.
2. **Connecting with the team:** Leading a group of people necessitates a mutual sense of trust and understanding between the leader and his or her subordinates. Leaders must learn to connect in order to accomplish this. Focus on getting to know each of the team members' personalities, interests, strengths, weaknesses, hobbies, and preferences to develop a connection. This can help you understand their motives and goals.
3. **Encourage personal and professional development:** Being a good cheerleader for your team is a vital element of being a good leader. Leaders who believe in their staff and provide opportunities for them to learn and grow may be astonished at how much they can accomplish. Don't be scared to delegate duties and promote creativity and flexibility.
4. **Maintain an optimistic attitude:** As much as leaders would like their team's day-to-day operations to function smoothly all of the time, they're bound to hit snags. Whether it's a slight misunderstanding or a massive blunder, how you manage a difficult circumstance reveals a lot about your leadership abilities.
5. **Instead of issuing orders, teach employees:** Rather than merely telling others what they must do, a good leader knows how to demonstrate it.
6. **Set clear employee goals and expectations:** Employee performance hinges on setting clear goals and expectations for your team. Encourage employee inquiries and feedback while setting these goals. Including them in the process can boost participation.
7. **Be open to new ideas:** Successful leaders have the emotional intelligence to recognise and accept the fact that change is unavoidable. Embrace change and

innovation rather than striving to maintain the status quo for the sake of consistency. Be open to fresh ideas and different perspectives. Everyone offers a distinct perspective to the table, which should be embraced rather than discouraged.

8. **Professional growth objectives of the Organisation:** Professional development goals are important because they help employees chart their professional paths. Encourage staff to consider where they want to be in five years and set realistic goals to get there. This will help them focus on their own objectives and achieve fantastic, demonstrable achievement.

9. **Continuous Training Programs instil Confidence:** Training programmes offer a variety of benefits. Employee performance is higher, productivity is higher, employee turnover is lower, and the business culture is better. Employers who invest in their workers' continuing education programmes form a strong bond with them, and employees do their best to put their acquired knowledge to good use for the company.

10. **Delegation of responsibility:** Self-motivated individuals resent being cut off from important duties and responsibilities. They have an instinctive urge to apply their skills and knowledge to solve problems and be recognised as problem solvers. Delegating responsibilities provides the team more control, builds trust, and aids professional growth. Employees with leadership qualities learn to identify who is most suited for specific roles or initiatives.

## 2.10 SUMMING UP

As an outcome of this unit, you now have a better understanding of leadership style, which is defined as a pattern of behaviour that defines a leader. Many aspects influence the concept of leadership style, including the leader's and employee's personalities, the nature of the activity performed, and the environment. A leader's style is influenced by such factors, and the style selected by a leader is also influenced by the attributes and characteristics of a leader, as described by numerous researchers. Furthermore, many types of leadership were addressed, ranging from tyranny to charismatic leadership. The various leadership styles as described by different scholars such as Kurt Lewin, and others were discussed, providing insights into the various styles such as autocratic, democratic and laissez-faire. Apart from these leadership styles, the qualities and various types of leaders were also discussed.

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**STOP TO CONSIDER**

A leadership style describes how he or she directs, motivates, guides, and manages groups of people. Great leaders have the ability to inspire political and social change. They can also inspire people to work hard, develop new things, and innovate.When we start thinking about some of the people you consider to be outstanding leaders, you'll see that they lead in quite different ways. Fortunately, scholars have established a variety of theories and frameworks that help us better recognise and comprehend these various leadership styles.

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## 2.11 Self-Asking Questions:

1. Whatdo you understand by leadership style?

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2. Explain in brief the various qualities of a good leader.

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3. Describe the various leadership styles stated by Kurt Lewin.

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4. What are the various issues encountered in present day leadership?

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**Leader's Role in reinforcing culture – stages – challenges to develop cohesive culture, Creating and building shared and organisational vision, From transactional leadership to transformational leadership**

**Unit Structure :**

## 1.1 INTRODUCTION

People since immemorial are living in groups. A group to sustain for a longer period needs a force that binds all the members together and steers them towards the accomplishment of group goals. The force here referred to is leadership. Leadership is the ability to influence a group toward the achievement of a vision or set of goals (Robbins, Judge, & Vohra, 2018). Leadership touches every aspect of an organisation. More importantly, it influences the beliefs and actions of individuals in an organisation, thereby influencing its culture.

Organisation culture refers to the aggregate of values, expectations, and practices guiding the actions of individuals in an organisation. It is a shared meaning system held by members that distinguish the organisation from others (Robbins, Essentials of Organizational Behaviour, 2006). Organisational culture is embodied in the thought process and the action of individual members in the organisation, as well as in the organisational processes.

A strong organisational culture provides desirable stability to an organisation. In a strong culture, core values are deeply held and widely shared among the employees. A strong "organisational cultures are distinguished by the presence of organisational values and norms which are shared by all employees (not just by a managerial elite), which are deeply felt (not

just adhered to superficially), and which are capable of substantially determining behaviour and consist across organisational functions or geographic division" (Sinclair, 1993).

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**STOP TO CONSIDER**

Organisational culture is the values that are shared and manifested through actions by each member of an organisation. It is the core ideals that influence organisational processes. Organisational culture can be developed without managerial interventions, However, such culture may bring disaster for an organisation. Therefore, a strong organisational culture requires intervention by the management so that intended values, norms, practices are inculcated among the individual members of the organisation. Organisational leaders have an important role to play in developing strong organisational culture.

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## 1.2 OBJECTIVES

The unit aims at:

i. Familiarising learners on the different roles of leadership in reinforcing the organisational culture
ii. Making learners aware of the process of developing organisational culture
iii. Apprising learners about the different challenges faced by leaders in developing a cohesive organisational culture
iv. Acquainting learners about the ways of creating a shared organisational vision
v. Creating awareness about the importance of transformational leadership

## 1.3 ROLE OF LEADERSHIP IN REINFORCING ORGANISATIONAL CULTURE

For strong organisational culture, it requires strong and visionary leadership in the organisation. The leadership will have to ensure that desired cultural values and practices are communicated to and inculcated among the employees effectively. This will require the creation of a conducive environment for transmitting and inculcating organisation cultural values and standards. To be effective in culture communication and transfer, leaders should continually reinforce the essential elements of the desired culture through their behaviours and organisational structure (George, Sleeth, & Siders, 1999). Subordinates consider leaders as role models while practising the desired component of culture.

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**STOP TO CONSIDER**

Leadership is the process of influencing the goal-oriented behaviours of the followers.It is the force that inspires the followers to give their best effort in achieving pre-defined goals. This same force is used for reinforcing organisation values and practices. Leaders live with the values and practices and inspire others to inculcate the same in their work life. They demonstrate the organisational values and practices and takes pride in them. The same is imitated by the followers. However, how far such values and practices are adopted depends on the strength or type of leadership. The desirable is transformational leadership.

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The combination of different organisational elements results in reinforcing organisational culture. The role of leadership in this combination and its influence on different organisational elements is paramount.  The role of leadership in reinforcing organisational culture is elaborated below:

- **Leading by the example:** It is the responsibility of the leaders in the organisation to demonstrate the beliefs and values of the organisational culture they want to inculcate. They have to recognise and reward the behaviours that reflect the core values of the organisational culture. Simply they can't leave the responsibility of inculcating the intended culture in the hand of employees. Leaders have to reflect on it through their behaviour in the organisation(Craig, The Role Leadership Has In Company Culture, 2018). Leading by example is one of the best ways of reinforcing organisational culture.

- **The necessity of continuous learning and leadership:** The desire for continuous learning is one of the significant elements essential for strengthening the organisational culture. Such desire inspires employees to hone their skills further and promotes creativity. To create and sustain a desire for learning among the employees, leaders have to express and demonstrate an interest in employee growth(Craig, The Role Leadership Has In Company Culture, 2018).The exhibition of leaders' interest in employee growth motivates the individual members to seek knowledge and innovation.

- **Social Responsibility and leadership:** Strong organisational culture is also reflected in the social responsibility activities of an organisation. Leaders placing importance on the needs of the society inspires the employees to commit themselves to the greater vision of the organisation. The realisation of employees about the recognition of business social responsibility reinforces the organisational culture.

- **Employees' Wellbeing and leadership:** An organisation that effectively take care of Employees' well-being develops a strong organisational culture. Employee wellbeing has five important essential elements. These are Career wellbeing, Social wellbeing, Financial wellbeing, Physical wellbeing, and Community wellbeing (Rath & Harter, 2010). Leaders focussing on these elements create a pool of happy employees, thereby strengthening organisational culture.

- **Leadership and Job Satisfaction:** Employee satisfaction is one of the important elements of a strong organisational culture. A satisfied employee reflects the cultural values in his/her behaviour at the workplace. Leadership plays a significant role in employee satisfaction (Tsa & Tsai, 2011).  Leadership traits like supporting employees in need, guiding them in their tasks, taking feedback, communication skill and others have a positive impact on job satisfaction. Satisfied employees themselves became the strong foundation of organisational culture.

The above discussion reflects the role of leadership in reinforcing organisational culture is dominant. It is their vision that leads the whole team in standardising the intended cultural values, norms, and practices. To summarise, leaders are responsible for creating an environment conducive to reinforcing the organisational culture.

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**SELF ASSESSMENT QUESTIONS**

i.   Why do we need a strong organisational culture?

ii.  How leadership can help reinforce organisational culture?

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## 1.4 STAGES IN DEVELOPING ORGANISATIONAL CULTURE

Organizational culture is a long-term commitment to meeting the needs and values of the organization's members. The process of creating an organisational culture consists of different but sequential steps. The first is the Establishment of Values, followed by Creation of Vision, Operationalisation of the defined Values and Vision, and Socialisation of Employees (Prasad, 2011). These are explained below:

1. **Establishment of Values:** The first step in the process of establishing an organizational culture is to define core values that the management wants to imbibe by each member of the organisation. These values will define how the organisational process will be carried out. These will direct the growth and business of an enterprise. Moreover, defining core values will ensure that every action of the employees in the organisation does reflect the values of the organisation. The relevant example in this context is the core values of the Tata Group of Industries. The Tata Group of Companies is one of the largest conglomerates in India. They have adopted five core values influencing their way of doing business. These are Integrity (Fair, Honest, Transparent, Ethical, and Open for Public Scrutiny), Responsibility (Integration of environmental and social responsibility in business), Excellence (Quality standards & Meritocracy), Pioneering (Bold, Agile, Innovative Solutions), and Unity (Invest in employees and partners).

2. **Creation of Vision:** Vision represents the organization's imagination of events in the future and how it prepares for them. It reflects the reasons behind the existence of the organisation and what it want to achieve in the long run. In simple words, it defines the purpose of the organisation. There are two components of a well-conceived vision. These are core ideologies and envisioned future. Core ideology represents what an organisation stand for and why does it exist. The envisioned future represents what it aspires to become, to achieve, to create thereby requiring significant changes and progress to attain it (Collins & Porras, 1996). Strong visions reflect unique characteristics. These are conciseness, clarity, future orientation, stability, challenge, abstractness, and desirability or ability to inspire (Kantabutra, 2008). In this context, the vision statement of Adani Group of Industries is worth mentioning. Adani Group

is a large diversified conglomerate in India. They are guided by their vision, "To be a world leader in businesses that enrich lives and contribute to nations in building infrastructure through sustainable value creation".

3. **Operationalisation of the defined Values and Vision:** Once values are established and vision(s) created, it has to be operationalised. Prasad (2011) has suggested five activities to be undertaken by an organisation to operationalise its values and mission. These are:

   a) **Written Statement**: Organisation has to prepare a written statement of its values and vision. This has to be communicated to every member of the organisation effectively.

   b) **Designing structure**: The organisation need to design a structure facilitating employees to take actions resonating with the values and visions of the organisation.

   c) **Organisational Process**: The organisational process should be built in such a way that it inspires employees to adhere to organisational values and vision.

   d) **Selection of employees**: Carefully select those employees whose values match with the values of the organisation.

   e) **Reward system**: A reward system should be designed that inspire employees to engage in behaviours that are compatible with the values and vision of the organisation.

4. **The socialisation of employees:** Successful adoption of an organisational culture requires the socialisation of employees. Socialisation is the process by which individuals in the organisation develops into functioning member of the group to its standard. It is the course of employee interaction with and adjustment to an organization's culture (Taormina, 2009). Different methods are adopted in the socialisation process by the organisations. The popular methods used are storytelling, rituals, material symbols, languages, etc.
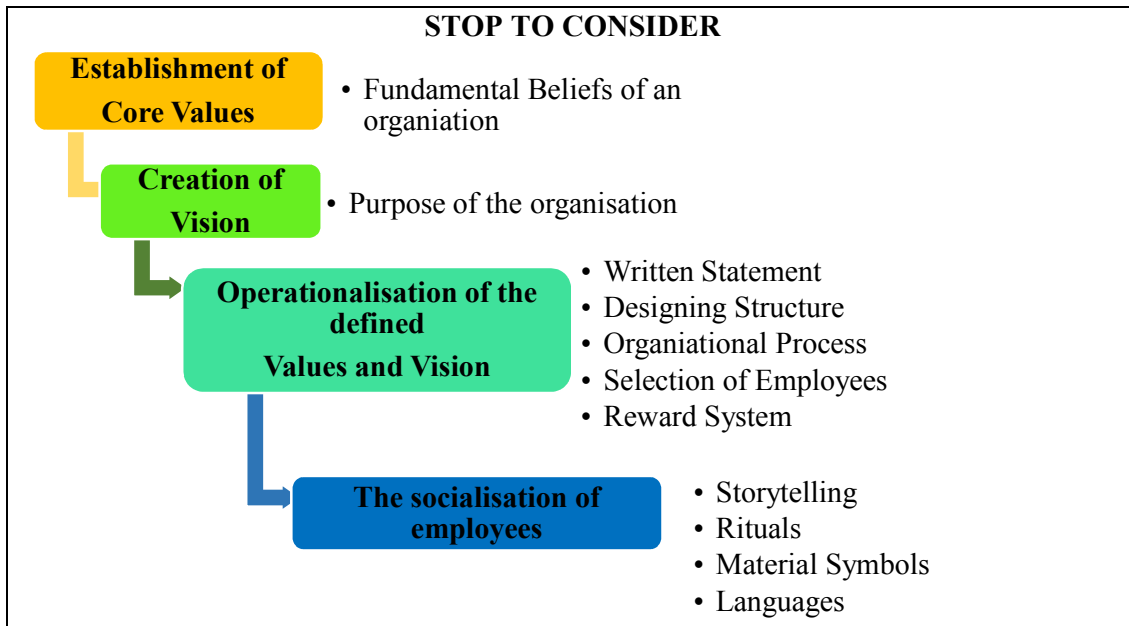
## 1.5 CHALLENGES TO DEVELOP COHESIVE CULTURE

Organisational culture influences the various actions taken by its members. Therefore, it is pertinent to any kind of organisation to develop a cohesive organisational culture. In cohesive organisational culture, employees feel a strong sense of belongingness and find their values and goals in harmony with the organisation. However, the path towards developing such an organisational culture is not smooth. Management, as well as leaders in the organisation, has to overcome different challenges. A few of the challenges are discussed below:

- **Lack of visionary leadership:** Leadership and its vision play the most significant role in developing a strong organisational culture. However, such leadership are very scarce and many organisation lacks it. Leaders are the driver of the process of developing cohesive culture and their presence inspires the whole organisation towards the attainment of the ultimate goal. The absence of visionary leadership derails the process of developing a cohesive organisational culture.

- **Diversity in Individual value system:** Cohesive organisational culture requires the oneness of organisational values. It needs the values of the organisation to be in harmony with the values of individual members. However, there exist diverse individual value systems owing to the diverse cultural, social, economical, psychological, and physiological backgrounds of individuals in the organisation. Integrating diverse values into a common value system is a difficult task.

- **Resistance to change:** Systematic development of an organisational culture requires the involvement of every individual member. Moreover, for many employees, it may mean shifting from their distinct set of values to common organisational values. These may result in stiff resistance from employees. The existence of individual values conflicting with organisational values limits the cohesiveness of organisational culture.
- **Ineffective Communication:** Inability to communicate effectively, the purpose, as well as essential cultural values and vision, is one of the hindrances in developing cohesive organisational culture. Failure to communicate effectively and on time creates confusion and misunderstanding among the members of the organisation.
- **Rigid organisational structure:** To develop an organisational culture requires bringing changes in the organisational structure as well. A conducive organisational structure is one of the essentials for reinforcing organisational culture. A rigid organisational structure may become one of the hindrances in developing a cohesive organisational culture.
- **Lack of Commitment:** The commitment of every employee to the organisational culture at each level in the organisation is necessary for sustaining it for a long period. It will become a culture when it is reflected consistently through the actions of each member of the organisation. However, to get committed employees requires more effort on the part of the management. It is further deteriorated by the increasing turnover rate of employees in the industry.

**STOP TO CONSIDER**

Lack of Commitment

Lack of visionary leadership

Rigid organisational structure

**Challenges in building cohesive culture**

Diversity in Individual value system

Ineffective Communication

Resistance to change

## 1.6 CREATING AND BUILDING SHARED AND ORGANISATIONAL VISION

Shared organisational vision refers to a kind of organisational vision where each member of the organisation see themselves playing an important role in its attainment. Shared vision inspires and extracts commitment from leaders and their teams to a common goal. It provides meaning to all the members and acts as a driving force in the attainment of group goals. There are different ways to successfully develop a shared organisational vision. A few of them are detailed below:

i.    Vision should reflect a compelling but practical purpose. It should be something larger than leaders and organisation itself, something others can relate to, believe in, and carry forward the baton (Craig, How To Create A Shared Vision In Your Organization, 2019).

ii.   It is critical to ensure that a vision and its corresponding core values are realistic and attainable. Otherwise, the vision may remain an illusion, and those tasked with making it a reality may become frustrated and demotivated (Martin, McCormack, Fitzsimons, & Spirig, 2014). Each member of the organisation should have a belief that the vision is attainable.

iii.  When people look at the vision, they look at the future. Therefore, the vision should reflect an image of a better and worthier state of the future. It should inspire the members worth achieving.

iv.  Leaders should make sure that they communicate the vision to its member effectively. They will be drawn to vision if it reflects their aspirations. Leaders need to communicate how the dreams of members will come true and their aspirations get fulfilled via the vision (Kouzes & Posner, 2009).

v.   Developing a shared vision requires involving members at the outset of the vision development process (Kouzes & Posner, 2009). Their involvement results in developing a shared vision for the organisation. In the case of new employees, leaders should make them understand how the vision was developed and what role the members of the organisation played in it. It will inspire the recruit to share the vision.

vi. To create a shared vision, the leaders have to pay close attention to each member, appreciate their hopes, and make an effort to satisfy their needs (Kouzes & Posner, 2009). If their present needs and aspirations are not taken care of, they may not believe the vision that talks about something great in the future.

vii. Cultivating vision ambassadors is another mantra for creating a shared vision. As brand ambassadors, the organisation should identify and cultivate vision ambassadors who will ensure that the vision is shared and reflected in the actions of members in the organisational processes (Craig, How To Create A Shared Vision In Your Organization, 2019). They will be an inspiring example that will keep employees integrated with the vision of the organisation. Whenever the members get deviated from the vision of the organisation or tend to lose their faith in the vision, the vision ambassadors shall intervene. Such intervention will realign the identified deviations among the members. Interventions may take the form of counselling, guidance, or support system to the members.

viii. Successful visions have some common characteristics which very important. The presence of these characteristics will furthermore help in making the vision a shared vision. These are (Kirkpatrick, 2008):

- **Brevity:** A good vision statement should be concise so that it is easier for managers and leaders to communicate, and for employees to remember.

- **Clarity:** Uncertainty in a vision statement can lead to varying levels of comprehension. The vision should be such that applies to the whole organization, uniting it and providing a stable, transcendent goal. One way to ensure clarity is to avoid jargon and buzz words and to use comprehensible terminology.

- **Abstract and Challenging:** Vision statements are long-term in nature and provide an abstract picture of the organization's desired future. Abstractness means that a vision can never be fully reached, that is challenging, but possible to act under the vision statement.

- **States the Organization's Purpose:** A statement of purpose is at the heart of the vision statement. An effective vision statement must define what the organization intends to achieve.

- **Focuses on the Future:** Vision statements do not express the current state of affairs or short-term desired states. They describe the organization's desired end-state for the foreseeable future. It reflects the ongoing activities in which the organisation will participate.

- **Sets a Desirable Goal**: A good vision statement motivates members by establishing a desirable goal. It emphasises fundamental values, a collective identity, the organization's uniqueness, and the worth and efficacy of its employees.

- **Matches the Organization's Success Measures**:Even though a vision statement should be challenging, there is a wide range of performance measures available to assess progress. Vision statements must be compatible with the metrics used to assess success.

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**SELF ASSESSMENT QUESTIONS**

i.   Why is it necessary to have a shared organisational vision?

ii.  There is no one definite way of developing a shared vision? Critically analyse the statement.

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## 1.7 FROM TRANSACTIONAL LEADERSHIP TO TRANSFORMATIONAL LEADERSHIP

Leaders and their style of leadership play a vital role in reinforcing organisational culture. The strength of the organisational culture is highly influenced by the leadership style. There exist different theories and approaches associated with the leadership style. Amongst them, transactional leadership and transformational leadership approaches are highly discussed and explored by researchers. These two approaches to leadership bear a different impact on strength of organisation culture. These two approaches are discussed in the sections below.

### 1.7.1 Transactional Leadership

The term transactional leadership has its origin from the work of Max Weber. It is a traditional form of leadership. Leaders enjoy authority based on status and the existence of personal loyalty developed through an educational process (Weber, 1947). Transactional leadership focuses on the exchanges between the leaders and followers. These exchanges enable leaders to achieve their performance goals, complete tasks assigned, maintain the current organisational situation, motivate followers through contractual agreement, direct followers' behaviour toward the achievement of established goals, emphasise extrinsic rewards, avoid unnecessary risks, and focus on improving organisational efficiency (McCleskey, 2014). Transactional leaders guide or motivate followers towards established goals by clarifying role and task requirements(Robbins, Judge, & Vohra, Organisation Behviour, 2015). These leaders set up and standardise practices that will assist the organisation in reaching maturity, with an emphasis on goal setting, operational efficiency, and productivity growth. It is concerned with the supervision, organisation, and group performance. They extract compliances through rewards and punishments.

**Characteristics of Transactional Leaders**

The characteristics of a transactional leader are as follows:

- **Nature of relationship**: The relationship between leaders and followers is transactional in nature. It depends on the exchanges made between both parties. For example, reward against performance.
- **Reward and Punishment**: Transactional leaders use rewards and punishment as a source for extracting obedience or compliance from the followers. Rewards are extended for effort and desired level of performance. Recognition is also given to followers for accomplishing the task.
- **Management by Exception**: Transactional leaders uses the management by exceptions. They intervene only when it is needed. The focus is put more on the obedience of rules and standards. Any deviation that gets spotted is corrected immediately.
- **Laissez-Faire**: These leaders, as far as possible, avoid taking decisions. They prefer to follow the existing system or to maintain the status quo. If at all decisions needed to be taken, they will follow the norms or rule book strictly.

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**STOP TO CONSIDER**

Transactional leadership is a traditional approach to leadership. Transactional leaders maintain a transactional relationship with followers based on some exchange. Relationships between leaders and followers are regulated by contractual obligations and obligations arising out of occupied positions. These leaders use a carrot and stick approach to motivation, thus, rewarding desired performance and punishing the poor performance. They avoid taking decisions and prefers rulebooks in decision-making situations.

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### 1.7.2 Transformational Leadership

Transformational leaders provide individualised attention, intellectual stimulation, and charisma. Charisma is a type of interpersonal attraction that motivates acceptance and support. Transformational leaders inspire followers to look beyond their self-interests and have the ability to have a profound and extraordinary impact on their followers (Robbins, Judge, & Vohra, Organisation Behviour, 2015).Transformational leaders strive to bring out the best in each team member.

Transformational leaders enhance the consciousness of followers on relevance and value of desired outcomes along with the methods of reaching those outcomes(Burns, 1978). There are four components of transformational leadership. These are idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration(Bass, 1985).Transactional leadership embodied these four components. However, the degrees to which these are exhibited may vary from leader to leader. These components are briefed below:

- **Idealised Influence**: Two aspects of the follower relationship are combined in idealised influence. First, followers attribute certain qualities to the leader that they

wish to emulate. Second, leaders impress followers through actions. In other words, leaders exhibit those behaviours that are considered ideal behaviour by the followers.

- **Inspirational Motivation**: The second component of transformational leadership is inspirational motivation. Transformational leaders make an impression on their followers through their actions(McCleskey, 2014).The behaviour of these leaders inspires the followers to strive towards the path shown by them. They motivate and inspire followers by providing them with shared meaning and a challenge.
- **Intellectual Stimulation**: The third component of transformational leadership is Intellectual stimulation. Thishelps in enhancing followers' drive towardinnovation. This is accomplished by challenging existing assumptions, rephrasing well-known problems, and applying new frameworks and perspectives to old and well-established situations and problems.They motivate followers to learn continuously, thereby boosting innovation and creativity.
- **Individual Consideration**: Through individualised consideration, leaders help followers in achieving their potential at their fullest capacity. It involves creating a conducive environment that will help the followers to learn and grow in their careers. Leaders provide mentoring and coaching to the followers as and when required. They also empower followers by providing autonomy in decision-making as well.

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**STOP TO CONSIDER**

Transformational leaders are charismatic leaders that inspire followers to give their best effort in achieving organisational goals. This type of leadership builds an organisational environment that is motivating to followers and help them in achieving development at the highest level. They act as a mentor and a coach to their followers and strive to keep their morale high. The characteristics/components of transactional leaders are presented below:

| Idealised Influence | Inspirational Motivation |
|---|---|
| **Transactional Leadership** | |
| Intelectual Stimulation | Individualised Consideration |

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### 1.7.3 Transactional or Transformational Leadership?

Going by the definition and the above discussion, it can be said that transformational leadership is far superior to transactional leadership which is a traditional form of leadership. Instead of approaching leadership from two distinct perspectives, a holistic view needs to be developed. An approach where both transactional and transformational leadership are united. Robbinsons, Judge and Vohra (2015) have opined that these two approaches are rather complementary to each other. It should be a process of moving from transactional leadership

to transformational leadership. In this way, transformational leadership will add more value to transactional leadership, which may not be possible for later alone. Transactional leadership provides a base for transformational leaders to enhance the effort and performance of followers. The best leaders are those who are transactional as well as transformational (Robbins, Judge, & Vohra, Organisation Behviour, 2015).

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**SELF ASSESSMENT QUESTIONS**
  i.   Under what kind of leadership you will be able to exhibit the best of your abilities and skills.
  ii.  How transactional and transformational leadership are mutually dependent on each other

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1.8 **SUMMING UP**

Organisational culture reflects how different activities are performed and how individuals behave in an organisation. These are the core values and norms reflected in organisational practices. Leadership plays a very significant role in developing a desired organisational culture. They help in defining the core values and the purpose of the organisation in the form of a vision statement. They also help in overcoming different challenges to the development of cohesive culture. All these efforts of leadership will be effective only under transformational leadership. Transformational leaders guide and inspire every member of theorganisation towards the accomplishment of group goals.

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**CHECK YOUR PROGRESS**
  i.    Explain the role of leaders in reinforcing organisational culture.
  ii.   Elaborate upon the process of developing organisational culture.
  iii.  What are the challenges in developing a cohesive organisational culture?
  iv.   Identify the different ways of building a shared organisational vision.
  v.    Discuss the characteristics of transactional leadership.
  vi.   Explain the components of transformational leadership.

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**ORGANISATIONAL CHANGE AND DEVELOPMENT UNIT STRUCTURE**

**Unit Sturcture:**

## 4.1 INTRODUCTION

In this unit we will discuss the change that takes place in an organisation. Organisations are dynamic and need to adjust their functioning with the environment. It necessitates that change will take place in organisations. It is very important that organisations implement those changes which will ensure their profitability and efficiency. However, in implementing such changes, the management may face challenges and it is the managers' responsibility to implement such changes effectively. It requires knowledge about the factors that necessitates the change, reasons for resistance to change and managerial process for smooth implementation of the change. To a great extent, the organisational behaviour is influenced by the organisational culture and climate, power and politics etc.

This unit will cover all these aspects and you will find it interesting as you will be able to deal with these aspects.

## 4.2 OBJECTIVES

After going through this unit you will be able to
- explain the concept of organisational change
- discuss the forces that led to organisational change
- discuss the levels of change in an organisation
- discuss the differences between planned and unplanned change
- explain the causes of resistance to change and how to overcome resistance
- discuss the concept and characteristics of organisational development
- discuss the impact of organisational culture and climate in organisational behaviour.
- discuss the role of power and politics in organisations.

**4.3 CONCEPT OF ORGANISATIONAL CHANGE**

You are aware that the natural environment keeps on changing. In India during the summer season, the days are longer while nights are shorter and temperature remains at a higher level. Opposite is the case during the winter season when days are shorter and nights are longer and temperature gradually decreases. All living creatures adjust themselves to the changing environment which is a normal process. We wear woollen clothes during winter to protect ourselves from cold weather where we use air conditioners to relax from the heat. In a nutshell, when the environment changes we have to adjust with such changes and we adopt different tactics for this adjustment.

Similar is the case with all organisations, whether profit earning, services providing, religious or any other. Changes in the functioning of the organisations becomes essential with respect to the changes in its working environment. However, in this unit, we are more concerned with the business organisations and their adaptability with the change.

When we talk about business organisations, the essential elements that comes to our mind are-

- It is an organisation formed for earning profit though there may be losses.
- People work together to achieve the predetermined organisational goals that lead to success of the organisation, though there are chances of business failure.
- The organisation either produces or sells some physical goods or may provide services, like transportation, hospitality, personal care services etc.
- The organisation has different departments and people who work in these departments are the individuals who differ in terms of educational qualification, personality, attitude, culture and so on.

**STOP TO CONSIDER**

Find out some more elements of a business organisation and list them in order of importance to the organisation.

The built-in elements, that you have identified, may be the same for some types of organisation while may be different for a different set of organisations. This is because, as the organisations are different, their environment (business environment) will also be different. Business environment refers to the ecosystem of multiple factors which shapes the functioning of the business organisation. The impact of the set of environmental factors are more or less the same on the organisations involved in similar types of business. While the impact of the same set of factors will be different on the organisations engaged in some other types of business. For example, if the Indian government put some restrictions on the export of onion, then all firms exporting onion to other countries will be adversely affected, though there will not be any impact on the firms exporting sugar to other countries.

Therefore, it is obvious that the business environment influences the functioning of the business organisations and adapting to such environmental influences is a key to business success. Further, you are aware that the factors of the business environment are mainly classified into two categories. One set of factors refers to the external environment over which the individual business has no control. The other set of factors are known as the internal environment, where individual business houses may have some degree of control.

Irrespective of the type of environment, it is quite normal that changes occur in the environment. Any variations in any of these factors will have some effect on the organisation. Now, it is the organisation's ability or inability to cope with such changes that leads to success or failure of the organisation.

Every organisation during its life span experiences some changes. Some of these changes may be normal or regular, like recruiting new employees, establishing a new business. However, there are some changes which may happen only once in the lifetime of the organisation, for example, merger of the organisation with some other organisation. The organisation prepares itself for the regular changes and can easily adjust with the change.

The term 'organisational change' indicates the presence of some element or event that creates some degree of imbalances or disturbances in the existing system of working in the organisation. The organisation during its course of operations establishes interrelationships with the business environment and among the different subsystems within the organisation. Working for a longer period of time results in a good understanding of the job and its responsibility, smooth handling of operations, smooth human relations, peaceful industrial relations, taking benefit government schemes etc. creates some kind of *equilibrium* with respect to the environmental factors. Whenever any change occurs in the form of internal processes, adoption of new technology, changes in management etc., the employees need to reorient their working process, learn new technology, adjust to new norms of working etc. It may create a *disequilibrium* position in the organisation.

This disequilibrium creates the problems of change and employees (individuals and groups) try to resist the change.

**CHECK YOUR PROGRESS 1**
**Q. 1:** What is meant by organisational change?

**4.4 FORCES INFLUENCING ORGANISATIONAL CHANGE**
We have discussed that every business works within an environment with which it continuously interacts. The decisions and the decision- making process may undergo some modifications subject to changes in the environment. This change calls for organisational change.

At this point, it is important to discuss the forces that call for organisational change because having an understanding of these forces help the manager in estimating the required change, how to prepare and implement the change.

- **Technological forces:** Most of the modern businesses heavily depend on technology. Production as well as services providing firms use technology to reach their customers. However, the rate of obsolescence is very high in technology and therefore, organisations must be ready to accommodate the latest technology in their operations. New and advanced technology creates a kind of compulsion on the organisations to bring the latest technology as it brings more efficiency and gives a competitive edge to the organisations. The technology also brings some concerns, especially in the areas of knowledge and skill to operate, replacing or reducing the

manpower required etc. definitely it creates some issues with the manpower and they try to resist such changes.

- **Market dynamics:** Market is dynamic. All the components of the market keep on changing frequently. It may be supply side and/ or demand side dynamics that produces opportunities or challenges for the organisations. To tap the opportunities or to overcome the challenges, the organisations may need to reorient themselves to adapt to such dynamics. It may be in the form of new product development, shutting down production of an existing product, change in supply chain, entry of a new and strong competitor etc. requiring the management to prepare the organisation for such changes.

- **Social forces:** Change is also permanent in society because of its in- built evolutionary process, exchange of culture, changes in values, social norms, family structure, spread of education, women empowerment etc. Such changes affect the business environment also as it creates a new kind of consumer set, new demand, higher income and so on. Such changes need to be embraced in organisations which may be in the form of more women workers in the workforce, women representation at the decision- making points and the like.

- **Political forces:** Another important force that calls for organisational change is the political force or environment. A peaceful, business friendly political environment is a boon for the business. Liberalised trade policies, ease of doing business, incentivising new entrepreneurs creates opportunities for new business. Trade restrictions, weak governance etc. creates difficulties for business. In today's context, political forces not only include local or national politics but also world politics. Singing of trade pacts with foreign nations creates a big market for the business and at the same time increases the level of competition in the home market. Any adversities in the foreign market with which a business has its dealings, will have a direct effect on the business earnings. Whatever may be circumstances, business organisations need to adjust to the changes in the political environment to avail the opportunities or to overcome the challenges.

- **Economic forces:** The world has become an integrated economic unit. Prosperity or adversity in any part of the world will be shifted to other parts of the world. For example, Covid- 19 recession, Sri Lankan Economic Crises, Russia- Ukraine war, Argentine Monetary crisis and so on which have economic impact on the world-wide business. Such events are difficult to predict and the organisation needs to adapt to such changes leading to success or failure of the business.

**SELF ASSESSMENT QUESTION**
How economic forces are bringing change in business organisations in India.

**4.5 LEVELS OF CHANGE**
As we are discussing organisational change, it is important to discuss that the changes may take place at different levels within the organisations. Any change in one level may directly or indirectly influence the other levels. These levels may be discussed as under-

- **Individual level:** The change may take place at the level of an individual employee. It may be in the form of job responsibilities, new assignments, transfer to another location, incentive on individual target achievement, disciplinary action etc. Managers must consider the changes that take place at individual level as these may be reflected in groups and gradually may impact the whole organisation.
- **Group level:** Organisational activities are carried out through different groups, which are known as departments, branches, sections etc. Implementation of organisational change takes place through these formal groups. Again these groups consist of individuals and therefore, any change at group level influences the individuals and vice versa.
- **Organisational Level:** These are the organisation- wide changes and affect the individuals and the groups. The organisational level changes are decided by the top management and generally involve a longer period of time to implement. These may be related to changes in organisational structure, changes in organisational mission and objectives, changes in management and the like. Changes at the organisational level are referred to as organisational development.

**STOP TO CONSIDER**
In any organisation where you are involved, find out the forces that bring change to the organisation.

**4.6 PLANNED AND UNPLANNED CHANGE**
Change is certain and it may take place at different levels, viz, individual, group and at the organisational level. Every organisation must adapt to the changes. Some of the changes are regular and may take place in the normal course of the business. These changes may be easily adapted within the organisation. For example, the entry of new employees and retirement of some old employees. Some changes may be accidental. For example, a sudden agitation by a group of workers over an issue. However, there are some changes which can be forecasted by the management and can prepare the organisation for the implementation of such change and these are referred as planned change. These planned changes may be external or internal. The management, by scanning the business environment, forecasts the likely changes in the different external forces and tries to understand how these changes can affect the organisation. On the basis of such analysis the management prepares plans to make the individuals and the groups ready to adapt to such changes. These changes may have considerable impact on the organisation and the management is proactive to such changes. Such changes may become essential and non- responding to such changes may prove suicidal to the organisation. For example, new products introduced by competitors, new technological innovation and so on. The organisation needs to communicate such changes to the employees, encourage them to find solutions, empower them, make teams, listen to their ideas, engage with them and support them. In this way they become agents of the organisation. This is important because the changes need to be implemented successfully in the organisation. In some cases, outside consultants may also be engaged as change agents to avail the expert and specialised services in the process of adaptation. In this context or to make the organisation more efficient, the management may plan internal changes also. For

example, modification in the existing product line, changing the administrative system, downsizing the organisation etc.

However, there may not always be planned changes. Change in the composition of the workforce with more numbers of female workers, non- performance of a product, declining profit margin etc. are the examples of unplanned internal changes. Let us see some examples of unplanned internal changes. Likewise, changes in government directives, national or international economic and political crises etc. are some of the examples of unplanned external changes.

**SELF ASSESSMENT QUESTION**
Find out any four planned and unplanned changes that may take place in organisations.

## 4.7 RESISTANCE TO CHANGE AND ITS CAUSES

In this section, we are going to discuss certain issues which make the process of implementation of change difficult in the organisations, because of resistance to the change. Resistance to change and adaptation with the environment, both are natural behaviour of people. Sometimes, people themselves want change. Resistance to change may not be necessarily negative all the time. It may be positive in the sense that an individual employee or group of employees may have a better alternative as a way to face the change or to implement the change. There may be general discussion, brainstorming sessions or informal discussion that may result in innovative ideas to deal with the changes. For example, change initiated by the management to implement a new administrative mechanism in the organisation may be resisted by the experienced employees and can suggest an alternative setup which will ensure organisational efficiency.

In some instances, employees may resist the change which may jeopardise the organisational activities. It may be important for the organisation to implement the change to face the market competition, but it becomes difficult to implement such change because of employee resistance. The result may be- loss of market, declining profit etc. In that case, the resistance to change is negative.

Therefore, prudent change agents try to find out the causes of resistance, which can be discussed as under-

- **Economic factors:** These are related to the basic economic needs of a person and when he/ she foresees any negative impact on economic factors, tries to resist such change. The changes related to technological upgradation are generally perceived as a threat to jobs, obsolescence of the existing skill of the worker, fear for new skill, fear for inability to cope with the new technology, fear for demotion etc. are resisted by the employees.
- **Psychological factors:** Reasons for resistance may be psychological. The employees may perceive a negativity in the proposed change. For example, some employees may perceive that there will be less opportunities for promotion, some may apprehend that new job roles will be monotonous, new jobs may require more hard work, hesitation to learn new skills etc. make the employees resist the change.
- **Social factors:** People in the workplace have social needs like friendship, belongingness etc. To satisfy these needs they develop informal relationships and

become the members of the informal groups. These groups resist the change if there is a feel that the new organisational change will change the social setting in the organisation; the proposed change may not satisfy their social needs; the change being introduced without employee consultation etc. are the social factors for resistance. These create a sense of insecurity and non-fulfilment of the social needs.

**CHECK YOU PROGRESS 2**
Q. 2: How psychological factors cause resistance to change?

**4.8 STRATEGIES TO OVERCOME RESISTANCE TO CHANGE**
Change is certain and resistance to change is also a normal reaction of people. Resistance to change is a strategy to stay and work within the comfort zone. Change is perceived as readjustment with a new environment requiring to work more, acquiring new skills, new social atmosphere etc. Organisations need to grow and expand and change is inevitable in that process. Therefore, the change agents need to follow certain strategies to overcome the resistance to change and to implement the change successfully. These strategies, however, cannot be the same for all the organisations. This is because the nature of change and nature of resistance to change vary widely. Therefore, strategies to overcome the resistance to change will vary depending on the situation. Even the same strategy may not be effective in a particular organisation at different points of time.

In this regard, Kotter and Schlisinger have suggested certain approaches to overcome the resistance to change. They are-
- **Education and Communication:** Resistance to change may be due to lack of communication or inaccurate communication. The employees need to understand the reason behind the proposed change. The advantage of his approach is that once doubts are cleared and employees understand the situation, the implementation of change will become smooth and speedy. However, this approach is time consuming and sometimes it may be difficult to convince the employees.
- **Participation:** Employees need to be involved in the change decision. Before making the change, those who resist need to be taken on-board. Once they are involved, resistance to change will reduce. If the employees can make meaningful contributions, the quality of change decision will improve and vice versa. This approach is also time consuming.
- **Facilitation or Support:** In the change process, employees need support, especially when there is fear and high anxiety. The change agent can support the employees by providing counselling, guiding and training. This is the best approach when technological change becomes important. However, it takes time and may not yield the desired result.

**STOP TO CONSIDER**
As a manager, what steps will you take to overcome resistance to change.

**4.9 CONCEPT AND FEATURES OF ORGANISATIONAL DEVELOPMENT**

In the earlier sections we have discussed organisational change, reasons for such change, resistance to change etc. Change is inevitable and the organisations have to adapt to the changes. In this connection, it is important to discuss the concept of 'Organisational Development' (OD). It refers to a planned process of change, which is long- term and continuous. It empowers the employees and enriches the organisational culture.

To be more clear about OD, let us discuss its features-

- **Long- term effort:** OD is a long- term process and managers must communicate the goals to the employees of such a process. The goals to be achieved at multi stages due to the dynamic nature of OD.

- **Supported by top management:** The process of OD must be initiated and supported by the top management. To implement the change in the context of development of the organisation, the top management must continuously support and encourage the employees and the process of change.

- **Future oriented:** OD is future oriented. Organisational vision is closely associated with OD. Organisational vision is concerned with creating a picture of the organisation in the minds of the customers and the society as a whole. Therefore, it needs to understand the changing customer preferences and business environment. It will make the organisation future ready and ensure organisational development.

- **Empowering the employees:** The process of OD empowers the individual employees. It identifies the leadership qualities of employees and promotes individual growth. It lines up the organisational goals with the individual goals of the employees.

- **Team based:** An organisation's success is based on the team performance. The functioning of the team ensures organisational success, helps in implementing the change and facilitates the process of OD.

- **Ideal organisational culture:** OD needs a strong organisational culture shared by all the members of the organisation. The culture passes on to the new employees and helps in creating the future oriented approach of OD.


**4.10 ORGANISATIONAL CULTURE**

The term 'culture' relates to any nation, region, community, family and so on. 'Organisational culture' relates to any organisation, may be charitable, religious, educational and the like. When it refers to a business organisation, it is generally termed as 'corporate culture'. In this unit, we will mostly use the term 'culture' in the context of a business organisation.

Culture is an invisible power which guides the employees in their thinking and acting process. Organisational/ corporate culture evolved over a long period of time and it became a shared way of living. As it evolves over a period of time, it takes its input from the environment and how the organisation reacts to the environment. The organisation gradually develops professionalism in its approach and employees show adherence to the culture while performing their tasks.

As organisations differ, so does their culture. Some follow strict culture; some follow an easy going culture. Some organisations emphasise on shared goals and while some stress on individuality. The organisational culture may be the result of the vision of its founder or the

group of founders, which grows with time and becomes the shared culture across the organisation. This is reflected in terms of vision, mission, values, strategies, goals, dealings with customers and other third parties etc. Thus, it tied together all the employees irrespective of the level at which he/ she works. The essential element of culture is that it needs to be cultivated by the managers among the employees by often communicating with them about the company's future activities and how they value each employee's contribution, how the individual goals of the employees would be linked with organisational performance. This will create a culture of trust, dignity and mutual respect and understanding. At the same time, it is important to communicate the organisational culture to the customers and all other stakeholders.

**CHECK YOUR PROGRESS 3**
Q.3: What is organisational culture?

## 4.11 CONSTITUENTS OF CULTURE
The constituents of culture can be categorised as sociability and solidarity (Kumar & Meenakshi, 2014).

- **Sociability:** It is a natural outcome of human beings. It is the emotional relations among individual persons and it grows with face to face interactions, where they share ideas, interests, values etc. In organisations, sociability creates an environment of openness and team spirit. However, a high level of sociability may lead to poor performance of the organisation. The existence of emotional relations may hide the inefficient employees or there may not be any opposite views on the strategies or policies. The result is that the best strategy or policy may not come out.
- **Solidarity:** It refers to community- based relationships that exist among the members of a community. It is the shared goals, common tasks, mutual interest which bring the members together. The examples are trade unions and the professional groups of doctors, engineers, lawyers and the like. Solidarity may not be the result of continuous social interaction. For example, in organisations it is very common to form task groups for performing a specific task like product innovation. In this group the members may come from different departments like, production, marketing, market research who may not know each other. The common task of product innovation brings them together. Once the task is over, the group no longer exists. Organisations with a high level of solidarity generate a high level of efficiency. In such a company, employees join hands when they know their reward. The rules and regulations are clearly defined in high solidarity   Companies.

**STOP TO CONSIDER**
Find out the organisational culture of any two Indian companies which products you often purchase.

## 4.12 ORGANISATIONAL CLIMATE

Every organisation is unique. Organisations differ in terms of vision, mission objectives and strategies. Organisations also differ in terms of culture. Organisational culture, as you know, keeps all the employees together and reflected through the workings of the organisation. As organisational culture differs, organisational climate will also differ from organisation to organisation. Organisational climate refers to the perception of the employees about the culture and working environment of the organisation where they work. Organisational climate resembles the personality of individuals. As personality differs, organisational climate also differs from organisation to organisation.

Organisational climate is built up over a long period of time with experiences and interactions with the management and among the employees. The employees keep an eye on the management's philosophy and action while dealing with the situations that arise in the organisation. The employees experience the internal environment created by the management where employees need to work and they build up their perception towards this. The climate is reflected through certain characteristics, perceived by the employees, like individual autonomy, organisational structure, lines of communication, leadership style etc. It is important to consider that when a person leaves one organisation and joins another, he/ she may experience a different organisational climate in the new organisation. At the same time, there may be different climates within the organisation as there are various individuals and departments.

To draw the difference between organisational culture and climate, Bowditch and Buono stated that "Organisational culture is with the nature of belief and expectations about organisational life, while climate is an indicator of whether those beliefs and expectations are being fulfilled."

Thus, culture reflects the broad organisational image while climate reflects individual employee's perception towards certain characteristics of the organisation. Culture is a broad term that covers the organisational behaviour of employees. Climate, on the other hand, is a narrow concept that covers the perception of employees towards this organisational behaviour.


**CHECK YOUR PROGRESS 4**

**Q.4:** What is organisational climate?


## 4.13 POWER AND POLITICS

In this section we will discuss the role of power and politics in organisations. Power refers to the capacity of a person that he/ she exercises to influence others. Generally, in an organisation, power rests on the organisational position that an individual hold. For example, the HR manager enjoys the power in the areas of employee benefits and pay, leave, enforcing organisation's policies and so on. However, the CEO has comparatively more power to approve the HR plan, selection of job applicants, organisational downsizing etc. In the above examples, powers arise from the official setting and vary across the organisations. People at the top level management naturally have wider power than the middle and lower level

management. The formal power is associated with the point of decision- making within the organisation. Power and authority goes hand in hand. Higher the authority, higher the power. At the same time, an individual may hold power but may not exercise that power.

However, this may not always be true. An individual possessing a unique skill or knowledge may have considerable power in the organisation because of the skill or knowledge.

**Sources of Power**

The sources of power may be discussed as under-

- **Knowledge:** One who has knowledge about the business and organisation will definitely have more power. It is very essential to have knowledge about the business environment and any member of the organisation having expert understanding of the business environment will have more power to influence the decision- makers.
- **Decision- making:** The person who makes the decisions enjoys power in the organisations. Decision- making power may be delegated to the subordinate level which also helps them to have wider experience and nurturing the future leaders. The decision- maker may be influenced by peers, subordinates, friends and informal groups in the organisation.
- **Power centres:** Some people in the organisation desire to be more powerful and want other members to be dependent on them. They deliberately create such an environment so that they become more powerful.
- **Dependency:** Degree of dependency on the power holder determines the strength of power. When the subordinates' dependency on the superior is high, the superior enjoys more power.

**Organisational Politics**

Organisational politics is the tactic to gain power. It is also referred to as political behaviour in the organisation. When power is converted into action, it is called politics. It is exercised by an individual or a group to influence the decision- makers or the members of the organisation to mobilise towards a particular goal. Resorting to politics may not be necessary in the formal organisational structure. However, organisational politics is exercised to influence the goals, processes or the distribution of scarce resources. The politics may take different forms and can be classified as legitimate and illegitimate politics.

Legitimate politics includes- complaining to supervisor, forming coalition, obstructing organisational decisions through inaction, excessive adherence to rules etc.

Illegitimate politics includes- sabotage, symbolic protests etc. Extreme illegitimate politics may result in loss of job, withdrawal of certain benefits etc.

**Reasons for Political Behaviour**

The reasons for political behaviour may be discussed as under-

- **Scarcity of resources:** Politics may come to play when organisations face the challenges in the distribution of scarce resources. As there are various departments, those who have power can exercise politics to control the decision of allocation or to have a major share in the organisation's resources.
- **Non- programmed decisions:** The politics in organisation is often played when non-programmed decisions need to be taken. As there are no predetermined decisions, those who have knowledge or expertise over the matter try to exercise political behaviour.

- **Ambiguous goals:** Generally, organisations set definite objectives and goals to be achieved. It includes corporate as well as departmental goals. There exists no ambiguity. However, in the case of some organisations there exists ambiguity in setting the objectives and framing the strategies. That situation provides scope to some people to play politics to make the situation favourable to them.
- **Organisational change:** Organisational change is a process that takes place continually. In this process, people with organisational power influence the decisions concerning new product development, creation of new departments, appointment of new persons and the like.
- **Business environment:** The business environment is dynamic and it produces various challenges and opportunities. It requires continuous monitoring of the environment and everything cannot be predetermined to match with the changed environment. This provides scope to people to play politics in the organisation.


**CHECK YOUR PROGRESS 5**
**Q. 5:** Discuss any two sources of power in an organisation.


**4.14 SUMMING UP**
In this unit we have discussed the following aspects-
- Changes in the functioning of the organisations becomes essential with respect to the changes in its working environment.
- Adapting to the environment is the key to business success.
- Organisational changes may be normal, like recruiting new employees, or a change may happen only once in the lifetime of the organisation, for example, merger of the organisation with some other organisation.
- Forces that lead to organisational change can be classified into technological, market dynamics, social, political and economic forces.
- Some changes may be planned while some changes may be unplanned.
- Due to economic, psychological and social causes employees may resist change.
- There are various strategies, like education and communication, participation etc. that facilitate the resistance to change.
- Organisational Development refers to a planned process of change.
- Culture is an invisible power which guides the employees in their thinking and acting process.
- Organisational culture evolved over a long period of time and became a shared way of living.
- Organisational climate refers to the perception of the employees about the culture and working environment of the organisation where they work.
- People at the top level management naturally have wider power.
- The formal power is associated with the point of decision- making within the organisation.

- Organisational politics is the tactic to gain power. It is the political behaviour in the organisation.
- Power is exercised by an individual or a group to influence the decision- makers or the members of the organisation to mobilise towards a particular goal.

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## 4.16 MODEL QUESTIONS

**Q. 1:** What is organisational change?

**Q.2:** Discuss the factors that influence organisational change.

**Q.3:** Differentiate between planned and unplanned change.

**Q.4:** Discuss the causes of resistance to change.

**Q. 5:** What is organisational culture?

**Q. 6:** Discuss the role of organisational culture and climate in organisational behaviour.

**Q. 7:** Discuss the role of power in organisations.

## 4.17 ANSWERS TO CHECK YOUR PROGRESS

**Ans. to Q. No. 1:** The term 'organisational change' indicates the presence of some element or event that creates some degree of imbalances or disturbances in the existing system of working in the organisation. The organisation is influenced by the business environment. The organisation creates some kind of *equilibrium* with respect to the environmental factors. Whenever any change occurs in the form of internal processes, adoption of new technology etc. the employees need to reorient their working process, learn new technology, adjust to new norms of working etc. It may create a *disequilibrium* position in the organisation. This disequilibrium creates the problems of change and employees try to resist the change.

**Ans. to Q. No.: 2**

When the employees perceive negativity in the proposed change, they resist such change. For example, in situations where employees perceive less opportunities for promotion, monotonous job roles, more hard work etc. they resist the change.

**Ans. to Q. No.: 3**

Culture is an invisible power which guides the employees in their thinking and acting process. Organisations differ, so does their culture. Organisational culture evolved over a long period of time and it became a shared way of living. As it evolves over a period of time,

it takes its input from the environment and how the organisation reacts to the environment. The organisation gradually develops professionalism in its approach and employees show adherence to the culture while performing their tasks.

**Ans. to Q. No. 4:**

Organisational climate refers to the perception of the employees about the culture and working environment of the organisation where they work. Organisational climate resembles the personality of individuals. As personality differs, organisational climate also differs from organisation to organisation.

**Ans. to Q. No. 5:**

The two sources of power in an organisation are-

- **Knowledge:** Any person in an organisation who has knowledge about the business and organisation will have more power. The person can use his/ her knowledge to influence the decision- makers.
- **Decision- making:** The person who makes the decisions enjoys power in an organisation. The decision- maker may be influenced by peers, subordinates, friends and informal groups in the organisation.

# BLOCK V : UNIT I : LEARNING AND REINFORCEMENT

**Unit Structure:**

## 1.1 Introduction:

Learning is a continuous process that brings change in human behaviour. The study of organizational behaviour is not complete without understanding how learning occurs within an organization. The manager in an organization wants its employees to learn different productive skills from time to time. The manager's role in this regard is to provide learning experiences in an environment that will promote employee behaviours directed towards achieving the organizational goals. So what is learning?

In simple words, 'learning is a change in behaviour as a result of experience.' Akin (1987) had defined learning as a relatively permanent change in the frequency of occurrence of a specific individual behaviour. According to Stephen P. Robbins, "learning is any relatively permanent change in behaviour that occurs as a result of experience." Steers and Porter had opined that "learning is a relatively permanent change in behaviour potentially that results from reinforced practice or experience." The above definitions make it clear that learning has essentially the following features:

**Firstly,** for learning to take place there has to be a **change.** Learning brings about a change in human behaviour. This change may either be good or bad.

**Secondly,** the change in behaviour should be **relatively permanent.** Learning should bring a permanent change in the behaviour. Any temporary change due to tiredness or temporary adaptations should not be considered as learning.

**Thirdly,** this change in behaviour should be adopted through **experience.** Experience can be direct through observation or indirect like reading, training, etc.

Thus, learning is a continuous process that involves a perpetual swap in the conduct of human behaviour that is obtained through direct or indirect methods of experience.

**1.2 Objectives**

For effective understanding of organisational behaviour, understanding how learning occurs in individuals is important. Through this unit, an attempt is made to understand:

a. What is learning?
b. Why it is important to understand learning techniques in an organisation?
c. What are the barriers to effective learning in an organisation?
d. What are the different models and approaches to learning?

**1.3 Importance of learning:**

Learning cannot take place in isolation. There are many factors that affect the process of learning. These factors could be internal like our motivation to learn something new or external like the opportunities that exist for us to learn. A knowledgeable society teaches us that it is learning that is of prime importance. Workplace learning is an important tool as it is driven by people from varied cultures and communities, demographics, technological knowledge and so on.

The world is continuously changing. Every now and then, new policies are framed, new ideas are welcomed, and new competition is seen. No approach of work can be taken as a permanent solution to change. With changes coming in, it becomes essential for everyone at the workplace to adapt to it. For example, the Covid-19 pandemic has brought about a revolutionary change in the work culture of almost all corporates. Employees from far and across the globe are now working from home. If not this change been welcomed, the corporates would have been by now all shut down. So, in order to keep going without becoming obsolete, it is important that everyone in the organization welcomes change. And for this change to come in a disciplined way, learning is important.

No one can assume to continue doing the same task forever. Circumstances keep changing, new rules and bye-laws are framed, the environment changes. So it may prove to be dangerous if people fail to adopt the process of learning continuously. Learning to be 'effective' has to be a continuous lifelong process. With continuous learning, employees get to know about what is expected from them in the organisation. People acquire new skills and enhance their knowledge base with learning. This keeps them highly motivated to work hard for the organization.

The process of learning creates a link between theory and practice. Learning involves gaining of knowledge from the past experiences. Therefore, learning makes it easier for the employees in the organization to adapt the new reforms on a positive note. The process of learning helps the organization in bringing a change in human behaviour. It helps in reducing employee absenteeism and turnover; helps develop employee discipline in the organization.

Learning is also an important source of job satisfaction and motivation. It helps people acquire new skills and knowledge. While always being busy with their routine works, the process of learning is a good source of inspiration for the employees as this helps them increase the knowledge in their area of interest. Learning is thus not a burden but a medium

through which employees can keep themselves updated with all new advancements. This also helps them remain competitive. Thus, learning is just an additional process that helps make the working environment more enjoyable for the employees as well as the organization.

**Check your progress:**

1. What is learning?

2. Why is it important to have learning in organizations?

**1.4 Barriers to learning:**

The process of learning should be a continuous one. People at the workplace must continuously acquire new skills and knowledge, apply them and share the same with their colleagues. However, within each type of organization, there also exist some kinds of hindrances that cause troubles in the learning process. Below, we discuss some very important barriers to learning in an organization. Every organization should see to it that these barriers are overcome for their long-term success.

1. **Limited resources**: Organizations fail to sanction adequate funds for the training of their employees. Learning is not given adequate financial as well non-financial support in the workplace.
2. **Inadequate focus**: Learning is not focused well within the workplace. New employees are trained without their being great involvements from the seniors. Seniors too do not like the approach of juniors for any new project or program.
3. **Work-learning contrast**: Learning is merely tolerated in the organization. It has failed to receive the required attention from all.
4. **Passive leadership**: For learning to be effective, it is important to have good leaders at the top. Passive leaders fail to work co-operatively with their team mates. This makes learning a difficult task.
5. **Non-learning culture:** The organizational values, assumptions, beliefs, behaviours and norms do not help promote the culture of learning in the organization. For learning to be effective, a change in the entire system is required.
6. **Resistance to change**: Many people within the organization are not much motivated to learn new things. They might be too lazy to adapt a change or may have the fear of not learning it well. All this results in an employee being resistant to any change that is initiated.
7. **Lack of good discussions**: Organizations have everything set up to be discussed in gatherings and meetings. Lack of employee motivation, employee's negative attitude are some of the important things that can defame an organization. However, such things are not given much importance.

## 1.5 Behavioural Models and Theories of Learning

Learning models explain in depth on how learning occurs in an individual. The learning theories developed so far can be generally grouped under three heads: Classical Conditioning, Operant Conditioning and Social Learning.

### 1.5.1 Classical Conditioning

This theory was developed by a Russian physiologist, Ivan Pavlon. He based his experiments with that of dogs. Classical conditioning theory states that behaviour can be modified such that a conditioned stimulus can be paired with an unconditioned stimulus which elicits an unconditional behaviour. Pavlon developed the study by presenting meat (unconditioned stimulus) to a dog upon ringing the bell (conditioned stimulus). The dog salivates (unconditioned response) when the meat is presented. Upon practice, Pavlon could make the dog salivate even on the ringing of the bell without presenting the meat.

This theory postulates that individuals can learn reflex behaviour. Reflex is an automatic response to certain things which is not under any human control. In classical conditioning, it is assumed that an unconditioned stimulus causes reflexive response. This theory is however not very applicable in workplace setting.

### 1.5.2 Operant Conditioning

The famous psychologist from Harvard, B.F. Skinner, developed the concept of Operate conditioning. This theory is based on the concept that behaviour is a function of consequences, which may be either positive or negative. Skinner coined the term 'operant conditioning' to refer to a process of voluntary behaviour. Voluntary behaviours are operant because they are usually the result of a consequence. Skinner opined that by creating pleasant consequences against specific forms of behaviour would increase the frequency of the behaviour and vice-versa. For example: If an employee is rewarded for always being on time to the workplace, he will continue to do so every day. Similarly, when an employee comes late to the office and with that if he receives a pay cut, he will try not to be late any other day. Thus, this theory suggests that behaviour can be modified by using positive or negative consequences.

### 1.5.3 Social Learning

Skinner's work was later extended by Albert Bandura and others who have eventually developed the concept of social learning. This theory postulates that people can learn new behaviour even by watching others in a social situation. People watch behaviour of those whom they consider as their role models and eventually try to practice and imitate that behaviour. Thus, learning through direct observation is social learning. Bandura suggests that people first observe the behaviour of others, then try to picture it in their minds and finally try the behaviour themselves. People imitate their parents, teachers, friends and others whom they consider as their role models. Usually the influence of model on behaviour is affected by certain factors like the **attention process**: how much attention can be paid to the critical features of the model, **retention process**: how well the individual can remember the

behaviour, **motor reproduction process**: how well the individual can perform the action and **reinforcement process**: what incentives are rewards are available on the display of such behaviour.

## 1.6 Cognitive and Programmed Learning

### 1.6.1 Cognitive Learning

There are many psychologists who are of the opinion that it is the cognitive theory that best explains the learning process in an individual. The cognitive learning is based on the concept that many things happen within an individual's mindset that results in the execution of certain behaviour. On observing certain things, many emotions may take place within an individual: feelings, motives, attitudes, thought. Cognitive theory opines that the person tries to form cognitive structure in his/her memory, which organises all events in the mind that leads to a learning situation. Human beings form abstract concepts for organizing perceptions and manipulating ideas. They are capable to re-arrange certain thoughts into a total situation that results in a learning behaviour. This type of learning that takes place by forming views from a situation within oneself is very important within an organizational setting. This helps individuals in changing their attitudes.

### 1.6.2 Programmed Learning

This learning theory is based on the assumption that "it is a process of enhancing learning efficiency by emphasizing the learner's active role, use of small successive steps, providing immediate feedback to learner response and allowing the learner to proceed at his own pace." This system of learning is programmed sequentially whereby first the behavioural learning objectives are identified, then each task is sequenced step by step in order to achieve the said objectives, and each step is carefully being measured. This approach ensures tight superior control over the learning process. Programmed learning is often executed through Computer-Assisted Instructions (CAI). With computers, learners are able to learn through the use of a variety of techniques like quizzes, simulations and tests.

This technique of learning has a lot of advantages. Learning is systematically broken down into small steps, each step involves careful monitoring which helps the learners in getting immediate feedback for each response and learners are able to learn at their own pace. However, the learner has no freedom in deciding the steps or the sequencing of steps. Linear programming is one of the methods in which programmed learning is implemented in organizations.

## 1.7 Summing up:

- Learning is a process whereby a person learns certain things that help him/her have a permanent change in his/her behaviour.
- Learning is important in an organisation to introduce changes, keep the employees motivated and satisfied. A workplace is said to be effective when it has effective learning techniques in its structure.

- There are different approaches to learning: Classical conditioning, operant conditioning and social learning.
- Classical conditioning learning technique is based on the assumption that human learn reflex behaviour when their response is conditioned with an unconditioned stimulus.
- Operant conditioning is based on the assumption that people follow certain behaviours as a result of the consequences that follow any particular behaviour.
- Social learning technique assumes that people learn certain things by observing others.
- Another two prominent approaches to learning are: Cognitive learning and Programmed learning
- Cognitive learning is what emotions go through an individual on the happening of a certain event that helps him/her in learning certain behaviours.
- Programmed learning is based on the use of commuter assisted aids and tools in enhancing the learning techniques in an organisation.

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## 1.9 Model Questions

**Short-Answer Questions**

1. Discuss the importance of learning in an organisation?
2. Discuss two barriers to learning.
3. What do you understand by classical conditioning theory?
4. Why is social learning theory important?

**Long-Answer Questions**

1. Define learning. Explain its importance. What factors are responsible for causing barriers to learning?
2. Explain the three behavioural models of learning with examples.
3. What do you understand by cognitive and programmed learning?

## 1.10 Answers to 'Check your progress'

1. Learning is a process that brings in a permanent change in behaviour as a result of experiences gained.

2. Learning is important to introduce changes in an organisation, keep employees motivated and help them acquire new skills.

3. Limited resources, inadequate focus and passive leadership are three barriers to learning.

4. Ivon Pavlon developed the concept of classical conditioning.

5. Operant conditioning theory suggests that behaviour can be modified through positive or negative consequences.

6. Social learning theory postulates that people can learn certain behaviour even by watching others whom they consider as role models.

7. Cognitive theory opines that the person tries to form cognitive structure in his/her memory, which organises all events in the mind that leads to a learning situation.

8. In programmed learning technique, learning is systematically broken down into small steps, each step involves careful monitoring which helps the learners in getting immediate feedback for each response and learners are able to learn at their own pace.

**Unit Structure:**

## 2.1 Introduction

Reinforcement may be defined as something that increases the strength of a response and also cause repetition of certain behaviour.  A contingency of reinforcement is the relation between certain behaviour and the following events that influence that behaviour. According to Thorndike (1913), contingency of reinforcement consist of an antecedent, behaviour and consequence. Antecedent acts as the stimulus to a behaviour. The likelihood of the behaviour to repeat in the future depends on the consequences that follow.

Figure 1 below depicts an example of contingency of reinforcement. Suppose an employee in an organisation is asked to report at the workplace every day by 9 a.m. The employee always reports the workplace before time. If the manager recognizes his punctual behaviour and rewards him with a pay hike, this will motivate the employee to be always punctual. On the other hand, if the employee fails to reach the workplace on the mentioned time and is reprimanded for the same, he/she will make sure to not repeat the behaviour again.
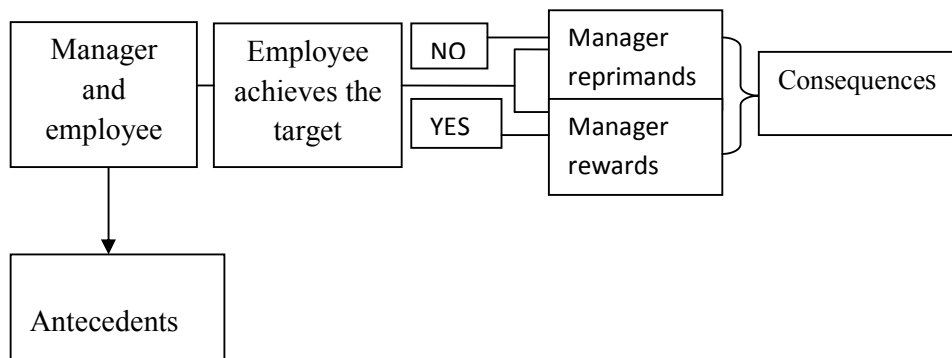


Figure 1: Example of Contingency of Reinforcement

## 2.2 Objectives

This unit is targeted to provide a gist about reinforcement. Towards the end of this unit, we will be able to understand:

- What is contingency of reinforcement?
- What are its two types?
- What is behaviour modification and its limitations?
- What is performance management?

## 2.3 Contingencies of Reinforcement- Positive and Negative

Reinforcement can be either positive or negative. In the above example, when the manager rewards the employee for his punctual behaviour, this is positive reinforcement. And when the manager is silent or reprimands the employee for not being on time, this is negative reinforcement.

### Positive Reinforcement

Positive reinforcement occurs when a pleasant consequence is followed after a desired behaviour. This leads to the repetition of such behaviour. Bonuses paid to employees after a successful year end is an example of positive reinforcement. Managers often resort to positive reinforcement when a desired goal is achieved by an employee. This acts as an important source of motivation for employees.

### Negative Reinforcement

Negative reinforcement occurs when an employee is faced with an unpleasant consequence as a result of an undesirable behaviour. Mangers practice negative consequences in order to decrease the frequency of a desired behaviour. It is often confused with punishment. Punishments are resorted to reduce the occurrence of an undesired behaviour. For example, if an employee fails to achieve the set target of producing 100 items in the month and the manager is very silent about the progress made, this is negative reinforcement. This will motivate the employee to achieve the desired behaviour, that is, produce 100 items in the month.

It is however important that the consequence that follows a behaviour is of value to the employee. Only then it shall cause repetition of the behaviour.

## 2.4 Behaviour Modification

As we all have already known that operant conditioning is the process of enhancing or reducing behaviours through the use of consequences. All the processes involved with this approach of learning refer to 'behaviour modification.' Behaviour Modification is now known as "Applied Behaviour Analysis (ABC)." Luthans and Schweizer (1979) had explained the process of behaviour modification. The process starts with the identification of relevant behaviour in the organisation through observation, measurement and evaluation. It is

seen if the conduct of a specific behaviour leads to the attainment of organisational objectives. The second step is followed by evaluating the desirability of the behaviour. A positive behaviour is enhanced through positive consequences like rewards. While negative consequences like punishments follow an undesirable behaviour. In step three, it is seen if the entire process has led to a problem being solved. The contingencies of reinforcements are continued if it is a yes and if not, alternative contingencies of reinforcement are resorted to.
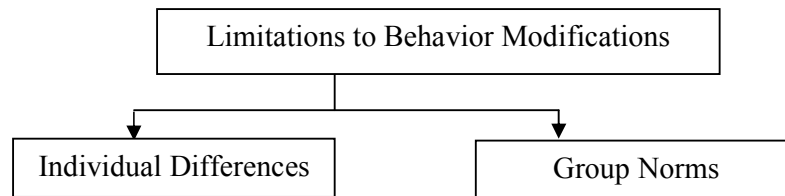
### 2.4.1 Limitations to Behaviour Modifications

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        ┌─────────────────────────────────────────┐
        │   Limitations to Behavior Modifications  │
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   ┌──────────────────────┐   ┌──────────────────────┐
   │ Individual Differences│   │      Group Norms      │
   └──────────────────────┘   └──────────────────────┘
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Figure 2: Two types of limitations to behaviour modification

**Individual Differences**

The process of behaviour modification is followed by consequences. However, these consequences often ignore the needs and values of individuals working within the organisation. For example, if the hard work of an employee has made the company sales increase by 5% and because of this he is given a bonus, while instead the employee was in dire need of a promotion, he will be less motivated to work again with the same zeal. These differences can be reduced by taking correct measures in the appointment of the employee whereby a detail regarding the company norms about rewards is shared. Another measure that can be initiated is by engaging employees in the process of determining rewards. In this way, what employees value is understood and they too feel being valued.

**Group Norms**

The power of group norms usually emerges in situations when the employees feel that they are being exploited by the organisation. This situation usually exits when the organisation restricts its rewards to only non-material rewards like praise. Workers start feeling that they have no point in co-operating with the management as their hard work only leads to increase in company productivity without any akin enhancement in their pay. This disturbance can be resolved with mutual understanding and compromise on both parts.

### 2.4.2 Transfer of Learning

Transfer of learning takes place when the learning gained is applied to different contexts. Gagne et al., (1993) had explained the process as "application of knowledge gained in one setting on a different setting." In an organisational setting, it is transfer of training. Transfer of training will take place only when the knowledge gained in training in applied by the employee in the work place.

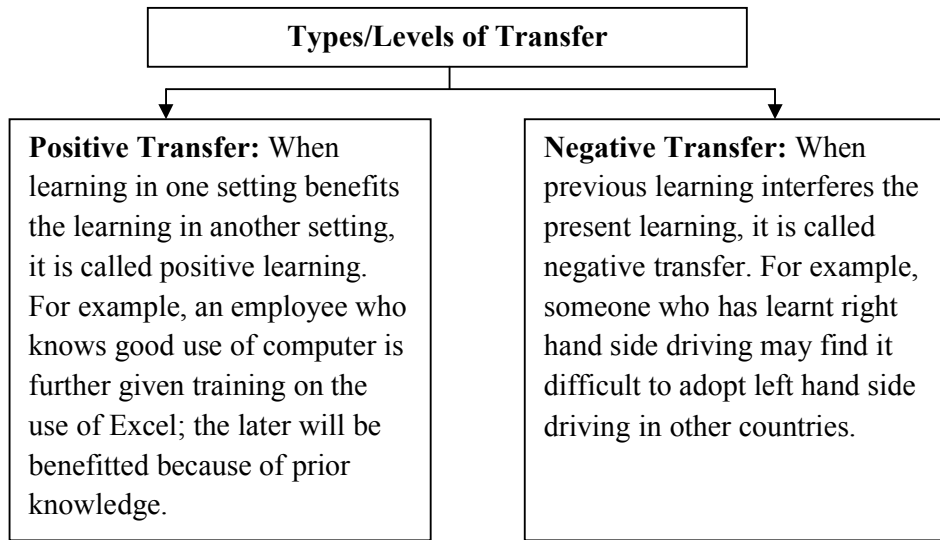There can be two types of transfer. Figure 3 below explains the types of transfer within an organisation.

| Types/Levels of Transfer |
| --- |

| **Positive Transfer:** When learning in one setting benefits the learning in another setting, it is called positive learning. For example, an employee who knows good use of computer is further given training on the use of Excel; the later will be benefitted because of prior knowledge. | **Negative Transfer:** When previous learning interferes the present learning, it is called negative transfer. For example, someone who has learnt right hand side driving may find it difficult to adopt left hand side driving in other countries. |

Figure 3: Levels of transfer of learning

## 2.5 Performance Management

Performance management is a tool is the hands of the management where they can monitor the works and performances of employees. The process motivates employees in performing to their best ability and achieving the set targets. A traditional system of performance management system involves a transparent exchange of understanding about an effective performance. The management explains its employees about its expectations from the later and also how performances shall measured. Managers use the tool of performance management to interact with employees regarding its workflow, new courses of actions and likewise. As a result, the employees too feel motivated and it becomes comparatively easy for the managers to achieve targets and also to bring about a change.

The performance management cycle in an organisation consists of three phases, namely:

1. Performance planning: This stage includes having clear goals and objectives about what performance is expected from everyone at the organisation. The same must be communicated well.
2. Performance appraisal: This stage involves the evaluation of the conduct of performances with the standards set. It is also known as 'performance review.'
3. Performance improvement: At this stage, deviations are corrected through feedbacks or rewards. A positive performance that helps achieve company gaols is rewarded and vice versa.

## 2.6 Summing up

- Reinforcement is something that increases repetition of certain behaviour. It may be either positive or negative.
- Positive reinforcement occurs when a pleasant consequence is followed after a desired behaviour.
- Negative reinforcement occurs when an employee is faced with an unpleasant consequence as a result of an undesirable behaviour.
- Behaviour modification is a process that starts with the identification of desirable behaviour, evaluating the consequences of that behaviour and following the same with consequences.
- Transfer of learning takes place when the learning gained is applied to different contexts. Transfer of learning can be either positive or negative.
- Performance management is a tool is the hands of the management where they can monitor the works and performances of employees.

## 2.7 References and Suggested Readings

1. Khanka, S.S., (2018). Organizational Behaviour. S.Chand Publications, New Delhi

2. Singh, K. (2018). Organizational Behaviour. Vikas Publishing House, Noida

3. Robbins et al., (2007). Organisational Behaviour. Pearson Education, Australia

## 2.8 Model Questions

**Short-Answer Questions**

1. What are contingencies of reinforcement?
2. What do you understand by behaviour modification?
3. What is meant by performance management?

**Long-Answer Questions**

1. Explain in detail about reinforcement and its types with suitable examples.
2. What is behaviour modification? What are its limitations?
3. What is transfer of learning? Explain with examples the two levels in which transfer can take place.

## 2.9 Answers to "check your progress'

1. Positive reinforcement leads to repetition of desired behaviour.

2. Managers resort to negative reinforcements to reduce the occurrence of an undesirable behaviour.

3. Behaviour modification is followed by consequences.

4. Workers resort to the power of group norms when they feel that they are being exploited by the organisation.

5. The two levels of transfer of learning are: positive and negative.

6. Performance planning, performance appraisal and performance improvement are the three phases of performance management cycle.

# BLOCK VI : UNIT 3: ORGANIZATIONAL CONFLICT

**Unit Structure:**

3.0 Introduction

3.1 Objectives

3.2 Meaning and concept of conflict

3.3 Types of conflict and their causes

3.4 Conflict Process

3.5Conflict management techniques

3.6 Negotiation- meaning

3.7 Negotiation strategies

3.8 Negotiation process

3.9 Summing up

3.10 Key terms

3.11 Answers to 'check your progress'

3.12 Questions and exercises

3.13 References and suggested readings

## 3.0 INTRODUCTION

Conflict is a natural phenomenon that may occur within an individual or between different individuals. It can be inferred as incompatibility of goals or disagreement between people. Human beings may experience conflict while taking decisions in day-to-day life or when a group of individuals work together in group these individuals may disagree with each other which may lead to conflict. Hence, itis inevitable and an important part of human life.In an organization which consists of different people belonging from various backgrounds, disagreements are quite natural since different people may have different interests and opinions. However, a disagreement cannot be termed as until and unless it hinders the decision making process of an individual or a group.Therefore, there is a need to manage conflict by resolving the disagreements so as to minimize the negative impact of conflict.

## 3.1 OBJECTIVES

After going through this unit, you will be able to:

- Explain the concept of conflict, the types and causes of conflict.
- Describe the conflict process and conflict management techniques.
- Explain the meaning of negotiation, strategies and process of negotiation.

## 3.2 MEANING AND CONCEPT OF CONFLICT

Conflict can be understood as a process that begins when apartyperceives that another party has negatively affected or is about to negatively affect, something that the first party cares about.

It can also be defined as disagreement between two opposing parties. The disagreement between people may be due to four basic issues- facts, goals, methods, and values. Facts here indicate disagreement in the definition of a problem or any fact related to the problem, goals mean differences in opinion related to the goals that people intend to achieve, many a times people may also disagree on the methods or strategies through which goals are to be achieved. Sometimes, differences in values like ethical standards, justice and fairness may also lead to conflict.

Now, it is important to understand the consequences of conflict in an organization. The term conflict is generally assumed to have negative or destructive consequences and that its existence should be minimized or avoided at all cost. Managing conflict in an organization is quite important for an organization for the smooth conduct of organizational activities, it means conflict is regarded as dysfunctional. This requires considerable attention on the part of the managers to manage conflict. However, over the years, various school of thoughts have provided different views on the role of conflict. The different views of conflict put forwarded by the various schools of thought has been able to change the perspective of management regarding how conflict is seen in an organization.As, conflict is also regarded to have positive outcome in an organization according to some schools of thought, which is known as functional conflict. There are three schools of thought on conflict- the traditional view, the humanistic view, and the interactionist view. These are described below.

### THE TRADITIONAL VIEW OF CONFLICT

The traditional view of conflict is the earliest view on conflict developed in the 1930s and 1940s. Conflicts according to classical theorists are viewed to have negative outcome i.e, dysfunctional outcome. Irrespective of the type of conflict, this view considered conflict as bad and negative and that it must be avoided. This is because it was believed that conflicts affect the productivity of employees. The traditional view describes conflict as violence, destruction and irrationality. Conflict is regarded as the outcome of poor communication, lack of trust and openness between people, and the inability of managers to respond to the needs of employees.

### THE HUMANISTIC VIEW OF CONFLICT

The humanistic view of conflict was developed between late 1940s and 1970s. This view considers conflict to be a natural phenomena which occurs due to differences in perception, goals and values among employees. Unlike the traditional view of conflict, here conflict is seen as inescapable and that it acts as an important factor contributing positively in group performance and productivity.

**THE INTERACTIONIST VIEW OF CONFLICT**

This view believes conflict is necessary in an organization in order to bring some positive changes. It emphasizes that conflicts impacts group performance positively and increases the productivity of employees. It is believed that a group that is harmonious and peaceful with no disagreements become static at some point and lacks behind in innovation. Hence, a minimum amount of conflict or disagreement is regarded as positive as it will encourage creativity, flexibility, and competition.

## 3.3 TYPES OR LEVELS OF CONFLICT AND THEIR CAUSES

To manage conflict effectively, one must be aware of the different types or levels of conflict that may occur within an organization. These are discussed below-

1. **Individual level conflict:** Conflict can occur at individual level, either within an individual or between individuals. Hence, individual level conflicts are of two types- intrapersonal conflict and interpersonal conflict.

    a. **Intrapersonal conflict:** when an individualexperiences conflict within himself it is called intrapersonal conflict. If an individual working in an organization feels that there is deviation of his needs from what he is receiving from the organization, then that individual may feel conflict within himself. This type of conflict arises from goal conflict and role conflict.

        i. **Goal conflict:** goal conflict occurs when there are existence of two or more competing goals and the attainment of one goal blocks the achievement of other goals. The kinds of goal conflict are-

            A. **Approach-Approach Conflict:** An individual experiences this kind of conflict when he/she faces confusion regarding two positive goals, which are mutually exclusive. This conflict do not have any negative impact in the organization.

            B. **Approach-avoidance conflict:** This happens when a goal has both positive and negative aspects in it and an individual is caught between both these aspects. Sometimes a goal that seems attractive at the beginning may turn into unattractive at a later stage.

            C. **Avoidance-Avoidance Conflict:** in this type of conflict, an individual has to choose between two negative goals, and these goals are mutually exclusive. So, an individual tries to avoidance such goals which then creates feeling of anxiousness and tension within an individual.

        ii. **Role Conflict:** Role conflict arises from the roles expected to be performed by an individual in an organization. The factors that lead to role conflict are- Role ambiguity, organizational position and personal characteristics.

A. **Role ambiguity:** when there is lack of clarity of role expectations, individuals find themselves in a difficult position as to what to perform and how to perform.In such a case, they tend to underperform.

B. **Organizational position:** organizational positions are also a source of role conflict when an individual is expected to perform a varied roles in an organization.

C. **Personal characteristics:** personal factors like emotional sensitivity, attitudes, personality ignites role conflict.

b. **Interpersonal conflict:** When different people work together in an organization, conflict between two or more individuals is inevitable, such a conflict is called interpersonal conflict. the various factors leading to interpersonal conflict are-

i. **Ego States:** This indicates how an individual thinks, behaves and feel at any particular time. When ego states between individuals do not match, it might lead to interpersonal conflict.

ii. **Value systems:** value systems are the set of beliefs and ethics that regulate behavior of people. While working in an organization, people with different value system may clash with each other. Since, value system influences on the behavior and actions of people.

iii. **Socio-cultural factors:** people belonging from different religions, caste, creed and class working together perceive a situation differently and have differing attitudes. This leads to conflict between people.

iv. **Interest conflict:** When interest of one person clashes with the interest of another, interest conflict occurs.

v. **Role ambiguity:** Role ambiguities arise when roles and expectations from different roles are not properly defined. Conflict may occur, while discharging duties, between two or more individuals whose jobs are inter-related, if their roles and responsibilities are unclear. Since the individuals have no proper idea about the boundary of their job responsibilities.

2. **Group level conflict:** When conflict arise at the group level, it is known as group level conflict. The level of conflict is influenced by the kind of interaction that takes place between the group members and among different groups. Two types of conflict may occur at the group level- between the members of a group (intra group conflict) and among different groups (intergroup conflict).

a. **Intra group conflict:** People working in a group may vary in their belief system, values and attitudes, their way of performing tasks, and these differences come in the way of performing group tasks. Such disagreement may lead to conflict. This is called intragroup conflict, where conflict exists between the members of a group.

b. **Inter group conflict:**Inter group conflict denotes any disagreement or conflict between different groups or departments of an organization.In an organizational setting, different departments and groups of people interact with each other to complete their respective tasks as the activities of different groups may be inter-

related or inter-dependent. These interactions between groups may lead to disagreements and conflicts due to a number of factors. The various factors or sources that lead to inter group conflict are-

i.   **Goal incompatibility:** Goal incompatibility is one important factor that impact the relations between different groups. When two or more groups have different goals and the achievement of goal of one group is at the cost of the other group, it creates a situation of tension and friction between the groups.

ii.  **Resource sharing:** Resources within an organization are scarce and when two or more groups demands the same resources, an environment of competition may develop, as each of the group will try to maximize their resources which they would utilize in achieving their respective goals.Such a situation creates conflict between the concerned parties.Limited resources include money, supplies, people or information.

iii. **Task relationship:** As discussed above, existing departments and groups within an organization has to interact and collaborate with each other while performing their tasks and to move towards their goal achievement. Depending on how these groups interact, both positive and negative results are generated. When the attitude of inter-dependent groups towards each other is negative, they become indifferent to the other parties goal and remains uncooperative. This leads to conflict.

iv.  **Absorption of uncertainty:** While handling uncertainties, some groups may be given the task of absorption of uncertainties, and while performing the assigned task of absorbing uncertainties, one group may make decisions for other group or decide on the bases on which other group would take decisions. This may lead to disagreements between the groups.

v.   **Attitudinal sets:** it refers to the kind of attitude that members of a group have formed for other groups. If one group attaches positive attitude to another group, a healthy relationship may form between the group accompanied by mutual trust and co-operation, on the other hand, if one group forms negative attitude for other group, it might result in differences and then to conflict.

3. **Organizational level conflict:** This type of conflict occurs at the organizational level. It is of two types-

   a. **Inter-organizational conflict:** When an organization enters into conflict with another competing organization or any government agency, it is known as inter-organizational conflict.

   b. **Intra-organizational Conflict:**Conflicts that arises within an organization are termed as intra-organizational conflict. It can be classified into three categories-

      i.   **Horizontal conflict:** It takes place between different functional departments belonging to the same hierarchical level. For example, conflict may arise between the sales department of an organization and the production department, as the goal of sales department is to increase sales whereas, production department may not match the expectation of sales

department and take longer time in production process in order to maintain quality standards.

ii. **Vertical conflict:** When there is disagreement between people or groups belonging to different hierarchical level, it is identified as vertical conflict. Example-conflict between a superior and sub-ordinate may take place due to poor communication. The superior may delegate certain task to sub-ordinate without properly communicating the expected result and the stipulated period of completion of the delegated task, and if the subordinate fails to meet the expectation of superior, it may lead to a conflict between them.

iii. **Line and staff conflict:** Line and staff conflict arise when the attitudes of line and staff people are negative for each other or there are disagreements between them. Line managers are the ones who are provided with the responsibility of achieving major organizational goals like production and sales. Staff managers are those who offer support to the line managers through advising and providing the resources and services required to perform line functions. Co-operation of both line and staff managers is essential to further the goals of the organization. However, a number of conflicts arises between them due to various reasons. Example- the staff managers may direct the line managers on how a particular task is to be completed and when the line managers disagree with the staff managers and do not act accordingly, it leads to conflict.

## 3.4 CONFLICT PROCESS

The conflict process helps us in understanding how conflicts arises in an organization. It consists of five steps or stages viz., potential opposition or incompatibility, cognition and personalization, intentions, behavior and outcome. These stages are discussed below-

1. **Potential opposition or incompatibility:** The very first stage of conflict is characterized by the presence of conditions (causes or sources) that provides a basis for conflicts to develop. These conditions are grouped into three categories- communication, structure and personal variables.

    i. **Communication:** Effective communication is a key element in running the activities of an organization smoothly. Any barrier in communication between employees or between employee and superior may become a potential source of conflict. Barrier in communication may arise due to miscommunication, use of jargons, wrong use of word, faulty pronunciation, differences in dialect, noise in communication channel. One must be aware that conflicts can also arise when there is too little and too much of communication.

    ii. **Structure:** Structure here denotes factors like size of the organization, size of group, degree of specialization required in tasks assigned to group

members, jurisdictional ambiguity, member-goal incompatibility, leadership styles, reward systems, and degree of dependence between groups. Chances of conflict will be more if the size of organization as well as different groups in the concerned organization are large, along with greater specialization required to perform the jobs. Confusion over jurisdiction of a particular job or group and ambiguity related to roles and responsibilities of groups, dependence of one group on the other for completion of tasks may lead to a situation of conflict over resources and territory of an organization. Again, the type of leadership style adopted by an organization and compensation system used can also act as a catalyst of conflict.

      **iii.** **Personal variable:** Another major source of conflict is personal variables, which includes personality types, value system of people working in an organization their emotions. People with authoritarian or dogmatic personality are more likely to remain rigid with their thoughts which might create problem for other people or groups, again when people belonging from different culture work together chances of conflict increases due to the existing differences in their values. Emotions are also a driving factor of conflict, as people with emotional imbalances will probably lead to more conflict in an organization.

2. **Cognition and personalization:** In this stage, the concerned parties actually realize whether conflict exists or not. On the basis of the conditions cited in the first stage, if one party feels that another party may negatively affect something they care about then the potential opposition or incompatibility turn into an actual conflict. It emphasizes on the realization or awareness about the existence of conflict by the parties involved. However, it is important to note that **perceived conflict** i.e., mere realization of existing conditions of conflict, will not make it personalized. For conflict to actually arise, one or both of the parties must get emotionally involved and experience some sort of tension, frustration and anxiety, this state is termed as **felt conflict**. In this second stage, the parties decide on what the conflict is all about.

3. **Intentions:** Intentions here means decisions taken by the conflicting parties to act in a certain way. Intentions (actions taken by the parties involved) are influenced by their perceptions and emotions. It involves an understanding of opposing party's intent in order to decide how a party needs to behave with that opposing party. Conflict may either fuel up or decrease on the basis of whether one party identifies negative or positive intentions of the other party.

There are five conflict handling intentions based on two dimensions-A. Cooperativeness (when a party's concern for other is more than the concern for self) and B. assertiveness (when a party's concern for self is higher than the concern for others). The conflict handling intentions are outlined below-

i. Accommodating, ii. Avoiding/Withdrawing, iii. Collaboration, iv. Competing,v. Compromising. (These are discussed in detail under the topic 'conflict management techniques').

4. **Behavior:** It is in this stage the intentions of conflicting parties are translated in the form of overt behavior like actions, reactions and statements. The existence of conflict becomes visible in this stage. Overt behavior of people may sometimes not reflect their true intention if there is lack of proper enactment of intentions and miscalculation. The kind of behavior displayed by people involved in conflict can be analyzed through the conflict-intensity continuum. If we look at the lower part of the continuum, it is the stage of lower level of conflict which involves some minor disagreements, or questioning. The intensity of conflict increases as we move gradually to the upper part of the continuum. The minor disagreements may take the form of verbal abuse, threatening, physical attacks, wars and strikes.

5. **Outcome:** The overt behavior (actions and reactions) of parties in the previous stage produces some results. These result may be positive or negative. If the outcome is positive it is termed as functional conflict which will boost innovation and productivity in group performance. If the outcome is negative, it will hinder employees' productivity and performance, this type of conflict is termed as dysfunctional conflict.
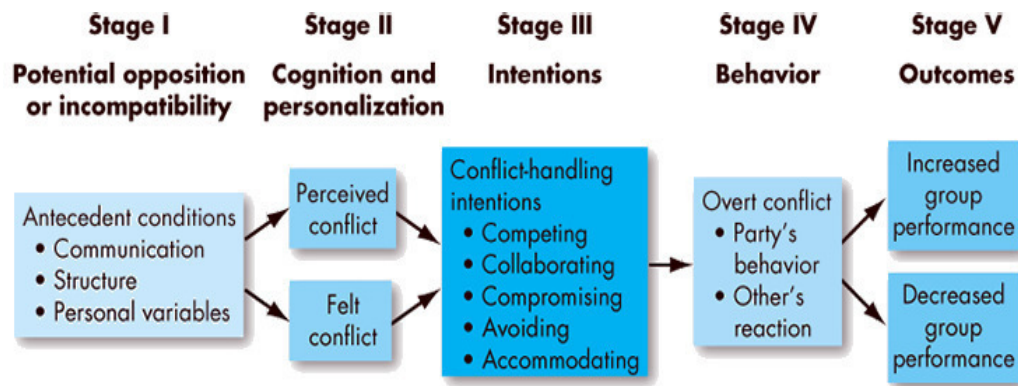


**Fig.: Conflict process**

## 3.5 CONFLICT MANAGEMENT TECHNIQUES

As we have already studied above, a minimal level of conflict is necessary to encourage innovation and creativity. However, if the disagreements between people goes to such an extent that it distorts proper decision making process, there is a need to resolve the disagreements. The various actions undertaken by conflicting parties in order to resolve conflicts are known as conflict management strategies or conflict resolution strategies. The different types of conflict management techniques are based on the specific intentions and attitudes of the parties to resolve conflict. Thomas and Kilmann provided a conflict management model which identifies five types of modes through which conflict can be resolution. According to this model, the type of resolution technique that are used by the conflicting parties depend on two factors viz, the concern for self (assertiveness) and the concern for others (cooperativeness). When a party's concern for self is higher than the

concern for others, the behavior of that particular party will be assertive. On the other hand, if the party's concern for other is more than the concern for self, the party will display cooperative behavior in the conflict resolution process. On the basis of these two kind of concern, conflict management or resolution techniques can be classified into five categories.

i. **Accommodating:**In this method, one of the parties to the conflict comes forward to work on the disagreements and tries to accommodate their own concerns for the other party. It means one of the party has cooperative and unassertive intention. This method is used when one of the party puts emphasis on resolving the conflict rather than competing with the other party. Here, concern for self is low and concern for other is high in one of the parties involved.

ii. **Avoiding/Withdrawing:** here, either party avoids the conflict or withdraws from the conflict. It happens when either of the party has low concern for self as well as others. The parties to the conflict rather than asserting the existing disagreements or differences try to ignore or avoid them.

iii. **Collaboration:** In this approach, both the parties to the conflict come together and discuss each other's issues or differences openly, and try to find out probable solutions to the conflict. Both the parties involved in conflict collaborates with each other and this method is adopted especially when concern for self and concern for others are high in the conflicting parties. It is an ideal approach to resolve conflict as it creates a win-win situation for both the parties involved in conflict.

iv. **Competing:** It iswhen one party uses force to resolve the conflict. Here, any one party either wins or loses the conflict. This type of technique is used when the concern for self is quite high and concern for other is low. Adopting competition method in resolving differences might be harmful for the organization in the long term.

v. **Compromising:** This method is suitable when both parties are mutually ready to compromise. This is because the parties with disagreements focusses on resolving the conflict through a give and take mode as each party agrees to compromise on their own part. This creates a situation where neither party is identified as a complete winner or loser. This is also an ideal way of solving differences apart from the collaboration method.
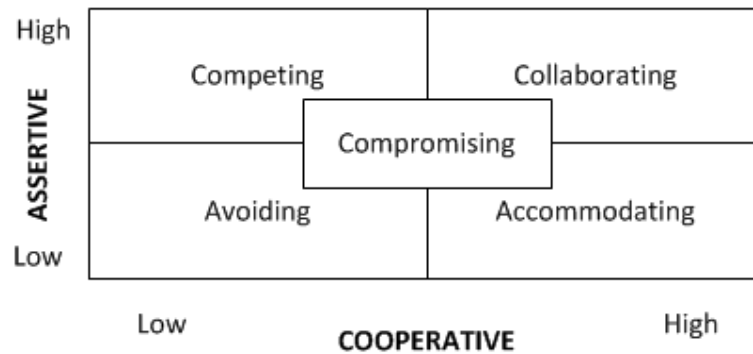
**Fig.: Conflict management styles**

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**Check Your Progress**

1. **What is conflict?**
2. **Mention the different types of conflict that can occur in an organization.**
3. **State the various conflict management style that can be used by organization to resolve conflict.**

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## 3.6 NEGOTIATION- MEANING

"Negotiation is defined as a process in which two or more parties exchange goods or services and attempt to agree on the exchange rate for them."

It is also defined as a process where two or more parties decide on the allocation of resources by arguing and agreeing upon terms of exchange. From these definitions, it can be inferred that negotiation is a method where two or more parties come together to discuss and bargain to protect their own interests and try to settle individual differences through mutual agreement. It is an effective method of resolving conflict through discussion.

## 3.7 NEGOTIATION STRATEGIES

There are two strategies that can be applied in a negotiation process. These are-

1. **Distributive bargaining:** Distributive bargaining works under zero-sum conditions, which means when anyone of the parties to the conflict gains in the negotiation process, it is at the expense of the other and vice-versa. It indicates that when one party gains, the other loses. Hence, it creates a situation of win-lose. This could be understood with the concept of 'Fixed Pie'. A 'fixed pie' here represents fixed amount of resources that are to be divided between the parties. In this bargaining method, both the opposing parties argues and each of them tries to secure maximum share of

resources. Each party has a target point and a resistance point. Target point denotes what each party wants to achieve through negotiation, and resistance point is the lowest acceptable limit of each party i.e., anything lower than this limit will be unacceptable. Between these two range is the aspiration range (which both the parties aspires to achieve). If in case, the aspiration range of both the parties fall in the same area that area will be known as the settlement range where both the parties' aspirations will be fulfilled. Example, bargaining between labor and management regarding wages wherein the amount labor wins in their demand for higher wages is the amount that an organization loses.

2. **Integrative bargaining:** Unlike distributive bargaining, this approach works on non-zero sum conditions i.e., on a win-win basis. Under this method, both the parties to the negotiation discuss and try to find out the best possible outcome that would be beneficial for each of them. Here resources are assumed to be variable as opposed to the 'fixed pie' in distributive bargaining method, since the integrative negotiation approach focuses on expanding the pie by creating value in the negotiation process through 'tradeoffs' or 'logrolling' (if there is loss, that loss is compensated from the gain of another), or by reframing the conflict issues in a manner that the concerned parties are benefitted. The whole focus here is to secure maximum outcomes for both the parties. This method, in order to be successful, requires the interests of the conflicting parties to be congruent (same), existence of trust between the parties and both the parties should share information with each other that would lead to a deeper understanding of each other's perspectives. This method is based on the belief that more creative outcomes are generated when people try to solve problems mutually. This is how this approach leads to agreements that leads to a win-win situation for both the parties.

## 3.8 NEGOTIATION PROCESS

The process of negotiation passes through five stages. These stages are discussed below-

1. **Preparation:** The different individuals or groups involved in conflict who wants to negotiate with each other must first of all try to gather information regarding the nature of the conflict, history related to the subject matter and the causes that led to the conflict. Along with it, it is important to understand the opposite party and their goals and perceptions regarding the conflict. Parties to the conflict should identify each other's best alternative to a negotiated agreement (BATNA). This will help an individual in identifying the potential sources where he can argue and identify the expected range of results by determining the minimally accepted outcomes, which then helps in preparing the strategy for negotiation accordingly. When an offer is more than the BATNA, it is accepted.

2. **Definition of ground rules:** The preparation stage helps in developing strategy to be applied in the negotiation phase. After this, the ground rules that would be followed in negotiation are defined by the conflicting parties. The ground rules are related to- who will do the negotiation? What time constraints, if any, will be applicable? To what

issues negotiation would be limited? Will there be a specific procedure if an impasse is reached?. The negotiating parties exchange their proposals or demands in this stage.

3. **Clarification and justification:** After defining the rules and exchanging their demands, both the parties to negotiation will try to put and explain their own point of view and justify their own demands. This will help the parties in educating each other about their concerns and the importance of their concerns/issues and provide an insight on the significance of their demands.

4. **Bargaining and Problem Solving:** the clarification and justification stage provides the negotiating parties an idea about their opposing party's limitations and requirements. Hence, the parties are now ready to bargain and resolve their problems. In this stage, the parties involved in negotiation bargain with each other and in order to actually negotiate they grant some sort of concessions to each other and lay out the terms of agreement. It is basically a give and take process which results in reaching an agreement by both the parties.

5. **Closure and Implementation:** the next and final stage in negotiation process is the finalization of the agreements that are laid out in the previous step, and taking steps that are important for the implementation of the agreements.

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**Check Your Progress**

**4. What do you mean by negotiation?**

**5. State the negotiation strategies that could be applied by an organization while resolving conflict.**

**6. Mention the steps involved in a negotiation process.**

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## 3.9 SUMMING UP

- Conflict can be understood as a process that begins when apartyperceives that another party has negatively affected or is about to negatively affect, something that the first party cares about.

- Next, the different types of conflict and their causes are discussed. Conflicts are of three types- individual level conflict, group level and organizational level conflict. Individual level conflicts are of two types- intrapersonal and interpersonal conflict. When an individualexperiences conflict within himself it is called intrapersonal conflict. It may be of two types- role conflict and goal conflict. And, when different people work together in an organization, conflict between two or more individuals is inevitable, such a conflict is called interpersonal conflict.The various causes of interpersonal conflict are- ego states, value systems, socio-cultural factors, interest conflict and role ambiguity.

- When conflict arise at the group level, it is known as group level conflict. It can be further divided into two categories- a. Intra group conflict, and b. Inter group conflict.When conflict exists between the members of a group, it is called intragroup conflict.It may arise due to differences in values, beliefs and perception. And,Inter group conflict denotes any disagreement or conflict between different groups or departments of an organization. Some common causes are- goal incompatibility, resource sharing, task relationship, absorption of uncertainty and attitudinal sets.

- Organizational level conflictoccurs at the organizational level. It is of two types- Inter-organizational conflict and Intra-organizational Conflict. When an organization enters into conflict with another competing organization or any government agency, it is known as inter-organizational conflict. Again,conflicts that arises within an organization are termed as intra-organizational conflict. It can be sub-divided into- a. horizontal conflict, b. vertical conflict, and c. line and staff conflict.

- A conflict process consists of five steps or stages viz., potential opposition or incompatibility, cognition and personalization, intentions, behavior and outcome. i. Potential opposition or incompatibility stage of conflict is characterized by the presence of conditions (causes or sources) that provides a basis for conflicts to develop. These conditions are grouped into three categories- communication, structure and personal variables. ii. Cognition and personalization:In this stage, the concerned parties actually realize whether conflict exists or not. Whether the conflict is perceived conflict or felt conflict. iii. Intentions:Intentions here means decisions taken by the conflicting parties to act in a certain way, these are accommodating, avoiding/Withdrawing, collaboration, competing, compromising, iv. Behavior:It is in this stage the intentions of conflicting parties are translated in the form of overt behavior like actions, reactions and statements.  v. Outcome:the overt behavior (actions and reactions) of parties in the previous stage produces some results. These result may be positive or negative.

- The different conflict management techniques used for conflict resolution are- A. Accommodating:one of the parties to the conflict comes forward to work on the disagreements and tries to accommodate their own concerns for the other party. It means one of the party has cooperative and unassertive intention. B. Avoiding/Withdrawing:here, either party avoids the conflict or withdraws from the conflict. It happens when either of the party has low concern for self as well as others. C. Collaboration:In this approach, both the parties to the conflict come together and discuss each other's issues or differences openly, and try to find out probable solutions to the conflict. D. Competing:  It iswhen one party uses force to resolve the conflict. Here, any one party either wins or loses the conflict. This type of technique is used when the concern for self is quite high and concern for other is low. E. Compromising: This method is suitable when both parties are mutually ready to compromise.

- Negotiation is defined as a process in which two or more parties exchange goods or services and attempt to agree on the exchange rate for them.

- There are two types of negotiation strategies- integrative bargaining and distributive bargaining. Integrative bargaining works on non-zero sum conditions i.e., on a win-win basis. Under this method, both the parties to the negotiation discuss and try to find out the best possible outcome that would be beneficial for each of them.Distributive bargaining works under zero-sum conditions, which means when anyone of the parties to the conflict gains in the negotiation process, it is at the expense of the other and vice-versa. It indicates that when one party gains, the other loses.
- The negotiation process consists of five stages- A. Preparation: in this stage the different individuals or groups involved in conflict who wants to negotiate with each other try to gather information regarding the nature of the conflict, history related to the subject matter and the causes that led to the conflict, in order to find out BATNA and prepare strategy for negotiation. B. Definition of ground rules: the ground rules that would be followed in negotiation are defined by the conflicting parties. C. Clarification and justification: Both the parties to negotiation will try to put and explain their own point of view and justify their own demands. D. Bargaining and Problem Solving: In this stage, the parties involved in negotiation bargain with each other and in order to actually negotiate they grant some sort of concessions to each other and lay out the terms of agreement. E. Closure and Implementation: Here, finalization of the agreements take place.

## 3.10 KEY TERMS

- **Functional Conflict:** Conflicts that support group performance and improve its performance.
- **Dysfunctional Conflict:**Conflicts that hinders group performance.
- **Logrolling:** The process of exchanging of assistance.
- **Ego states:**How a person feels, behave or think at a point of time.
- **Value system:**The set of beliefs and attitudes that a group of people share.

## 3.11 ANSWERS TO 'CHECK YOUR PROGRESS'

1. Conflict can be understood as a process that begins when apartyperceives that another party has negatively affected or is about to negatively affect, something that the first party cares about.
2. The various types of conflict that may occur in an organization are- a. Individual level conflict, b. Group level conflict, and c. organization level conflict. Individual level conflicts are of two types- intrapersonal and interpersonal conflict. When an individual experiences conflict within himself it is called intrapersonal conflict. It may be of two types- role conflict and goal conflict. And, when different people work together in an organization, conflict between two or more individuals is inevitable, such a conflict is called interpersonal conflict.When conflict arise at the group level, it is known as group level conflict. It can be further divided into

two categories- a. Intra group conflict, and b. Inter group conflict.When conflict exists between the members of a group, it is called intragroup conflict. And, inter group conflict denotes any disagreement or conflict between different groups or departments of an organization. Also, conflictoccurs at the organizational level. It is of two types- Inter-organizational conflict and Intra-organizational Conflict.

3. The various conflict management style that can be adopted by an organization are-
   a. Accommodating, b. Avoiding/Withdrawing, c. Collaboration, d. Competing, e. Compromising.

4. Negotiation is defined as a process in which two or more parties exchange goods or services and attempt to agree on the exchange rate for them.

5. There are two types of negotiation strategies that can be used by an organization to resolve conflicts are- a. integrative bargaining, and b. distributive bargaining.

6. A negotiation process involves five stages- a. Preparation, b. Definition of ground rules, c. Clarification and justification, d. Bargaining and Problem Solving, e. Closure and Implementation.

## 3.12 QUESTIONS AND EXERCISES

**Short-Answer Questions**

1. What is functional conflict?
2. Mention the differences between distributive and integrative bargaining.
3. What is BATNA?
4. Write a short note on the Interactive View of conflict.
5. Mention the various conflict handling intentions.

**Long-Answer Questions**

1. 'Functional conflict results in positive outcome'. Explain.
2. Discuss how conflicts can be resolved in an organization.
3. Explain the process of negotiation.
4. Discuss the process of conflict.
5. Explain the various types of conflict and highlight their causes.

## 3.13REFERENCES AND SUGGESTED READINGS

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