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Directorate of Distance Education

M.A. [PM & IR]

I - Semester

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ORGANIZATIONAL BEHAVIOUR

Reviewer	
Dr. R. Alamelumangai	Professor Department of Banking Management, Alagappa University, Karaikudi

Authors

J.S Chandan, *Retd Professor Medgar Evers College, City University of New York*

Units (1.2-1.3, 1.6, 2, 3.2.1-3.2.2, 4.2, 4.3-4.3.2, 4.3.4, 4.4-4.5, 5, 6.2-6.2.1, 6.2.3, 7.2.2, 8.3-8.5, 9, 10.2, 10.4, 11.2-11.5, 11.6-11.7, 12.2-12.4, 13.2, 14.2-14.5)

Kavita Singh, *Professor, Faculty of Management Studies, University of Delhi, Delhi*

Units (1.4-1.5, 6.2.2, 6.3, 6.4, 7.3, 8.2, 10.5, 11.5.1, 13.3, 14.6)

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SYLLABI-BOOK MAPPING TABLE

Organizational Behaviour

Syllabi	Mapping in Book
<p>BLOCK 1: Basics of Organisational Behaviour</p> <p>UNIT 1: Organizational Behaviour: History – Meaning Elements – Evolution, Challenges and opportunities – Trends – disciplines – Approaches – Models – Management functions relevance to organizational Behaviour – Global Emergence of OB as a discipline.</p> <p>UNIT 2: Personality – Determinants, Structure, Behaviour, Assessment, Individual Behaviour: Personality & Attitudes- Development of personality – Nature and dimensions of attitude – Trait Theory – Organizational fit – Organizational Commitment</p> <p>UNIT 3: Emotions – Emotional Intelligence – Implications of Emotional Intelligence on Managers – EI as Managerial tool – EI performance in the organization – Attitudes: Definitions – Meaning – Attitude relationship with behaviour – Types – Consistency</p> <p>UNIT 4: Individual Behaviour and process of the organization: Learning, Emotions, Attitudes, Perception, Motivation, Ability, Job satisfaction, Personality, Stress and its Management – Problem solving and Decision making – Interpersonal Communication - Relevance to organizational behaviour.</p>	<p>Unit 1: Overview of Organizational Behaviour (Pages 1-20)</p> <p>Unit 2: Personality (Pages 21-39)</p> <p>Unit 3: Overview of Emotional Intelligence (Pages 40-49)</p> <p>Unit 4: Individual Behaviour and the Process of Organization (Pages 50-73)</p>
<p>BLOCK 2: Organisational Sources and Management</p> <p>UNIT 5: Group Behaviour: Group Dynamics - Theories of Group Formation - Formal and Informal Groups in organization and their interaction - Group norms – Group cohesiveness – Team: Importance and Objectives - Formation of teams – Team Work- Group dynamics – Issues - Their relevance to organizational behaviour.</p> <p>UNIT 6: Organizational Power: Organizational Power: Definition, Nature, Characteristics - Types of powers - Sources of Power - Effective use of power – Limitations of Power – Power centre in Organization.</p> <p>UNIT 7: Organizational Politics: Definition – Political behaviour in organization - Factors creating political behaviour – Personality and Political Behaviour - Techniques of managing politics in organization – Impact of organizational politics.</p> <p>UNIT 8: Organizational Conflict Management: Stress Management: Meaning – Types – Sources and strategies resolve conflict – Consequences – Organizational conflict: Constructive and Destructive conflicts - Conflict Process - Strategies for encouraging constructive conflict - Strategies for resolving destructive conflict.</p>	<p>Unit 5: Group Behaviour (Pages 74-90)</p> <p>Unit 6: Organizational Power (Pages 91-103)</p> <p>Unit 7: Organizational Politics (Pages 104-111)</p> <p>Unit 8: Organizational Conflict Management (Pages 112-130)</p>
<p>BLOCK 3: Organisational Climate and Culture</p> <p>UNIT 9: Organizational Dynamics: Organizational Dynamics – Organizational Efficiency, Effectiveness and Excellence: Meaning and Approaches – Factors affecting the organizational Climate.</p> <p>UNIT 10: Organizational Culture: Meaning, significance – Theories – Organizational Climate – Creation, Maintenance and Change of Organizational Culture – Impact of organizational culture on strategies – Issues in Organizational Culture.</p> <p>UNIT 11: Inter personal Communication: Essentials, Networks, Communication technologies – Non-Verbal communications Barriers – Strategies to overcome the barriers. Behavioral Communication in organization - Uses to Business</p>	<p>Unit 9: Organizational Dynamics (Pages 131-147)</p> <p>Unit 10: Organizational Culture (Pages 148-163)</p> <p>Unit 11: Interpersonal Communication (Pages 164-180)</p>

BLOCK 4: Challenges and Organisational Development

UNIT 12: Organizational Change: Meaning, Nature and Causes of organizational change Organizational Change –Importance – Stability Vs Change – Proactive Vs. Reaction change – the change process – Resistance to change – Managing change.

UNIT 13: Organizational Behaviour responses to Global and Cultural diversity, challenges at international level, Homogeneity and heterogeneity of National cultures, Differences between countries.

UNIT 14: Organizational Development: Meaning, Nature and scope – Features of OD – OD Interventions- Role of OD – Problems and Process of OD – process OD and Process of Intervention - Challenges to OD- Learning Organizations - Organizational effectiveness Developing Gender sensitive workplace

Unit 12: Organizational Change
(Pages 181-195)

Unit 13: Organizational Behaviour:
Responses to Global and
Cultural Diversity
(Pages 196-204)

Unit 14: Organizational Development
(Pages 205-221)

CONTENTS

BLOCK I: BASICS OF ORGANISATIONAL BEHAVIOUR

UNIT 1 OVERVIEW OF ORGANIZATIONAL BEHAVIOUR

1-20

- 1.0 Introduction
- 1.1 Objectives
- 1.2 History
 - 1.2.1 Meaning
 - 1.2.2 Elements or Disciplines
 - 1.2.3 Opportunities
- 1.3 Trends, Evolution and Approaches
 - 1.3.1 Models
- 1.4 Challenges
- 1.5 Global Emergence of OB as a Discipline
- 1.6 Management Functions: Relevance to Organizational Behaviour
- 1.7 Answers to Check Your Progress Questions
- 1.8 Summary
- 1.9 Key Words
- 1.10 Self Assessment Questions and Exercises
- 1.11 Further Readings

UNIT 2 PERSONALITY

21-39

- 2.0 Introduction
- 2.1 Objectives
- 2.2 Personality: Determinants, Structure, Behaviour, Assessment and Development
 - 2.2.1 Determinants and Structure of Personality
 - 2.2.2 Theories of Personality
- 2.3 Attitude: Nature and Dimensions
 - 2.3.1 Characteristics and Components of Attitude
 - 2.3.2 Attitude and Behaviour
 - 2.3.3 Attitude Formation
 - 2.3.4 Attitude Measurement
 - 2.3.5 Attitudes and Productivity
- 2.4 Organizational Fit and Commitment
- 2.5 Answers to Check Your Progress Questions
- 2.6 Summary
- 2.7 Key Words
- 2.8 Self Assessment Questions and Exercises
- 2.9 Further Readings

UNIT 3 OVERVIEW OF EMOTIONAL INTELLIGENCE

40-49

- 3.0 Introduction
- 3.1 Objectives
- 3.2 Emotional Intelligence
 - 3.2.1 Implications of Emotional Intelligence on Managers
 - 3.2.2 Use of EI as a Managerial Tool

- 3.3 Attitude: Meaning, Relationship with Behaviour, Types, Consistency
 - 3.3.1 Attitude: Relationship with Behaviour
 - 3.3.2 Chief Characteristics of Attention
 - 3.3.3 Types of Attention
 - 3.3.4 Relationship between Attitude, Behaviour and Consistency
- 3.4 Answers to Check Your Progress Questions
- 3.5 Summary
- 3.6 Key Words
- 3.7 Self Assessment Questions and Exercises
- 3.8 Further Readings

**UNIT 4 INDIVIDUAL BEHAVIOUR AND THE PROCESS
OF ORGANIZATION**

50-73

- 4.0 Introduction
- 4.1 Objectives
- 4.2 Individual Behaviour: An Overview
 - 4.2.1 Causes of Human Behaviour
 - 4.2.2 Categories of Human Behaviour
- 4.3 Motivation and Ability
 - 4.3.1 Job Satisfaction
 - 4.3.2 Learning
 - 4.3.3 Emotions
 - 4.3.4 Stress
- 4.4 Decision-Making and Problem-Solving
 - 4.4.1 Factors Affecting Decision-Making
- 4.5 Interpersonal Communication and Relevance to Organizational Behaviour
- 4.6 Answers to Check Your Progress Questions
- 4.7 Summary
- 4.8 Key Words
- 4.9 Self Assessment Questions and Exercises
- 4.10 Further Readings

BLOCK II: ORGANISATIONAL SOURCES AND MANAGEMENT

UNIT 5 GROUP BEHAVIOUR

74-90

- 5.0 Introduction
- 5.1 Objectives
- 5.2 Theories of Group Formation
- 5.3 Formal and Informal Groups and their Interaction
 - 5.3.1 Formal Groups
 - 5.3.2 Informal Groups
- 5.4 Importance and Objectives of Teams
- 5.5 Formation of Teams
- 5.6 Group Dynamics: Meaning and Issues
- 5.7 Group Norms
 - 5.7.1 Types of Norms
 - 5.7.2 Factors Influencing Conformance to Norms
- 5.8 Group Cohesiveness
- 5.9 Relevance of Group Dynamics, Norms and Cohesiveness to Organizational Behaviour

5.10	Answers to Check Your Progress Questions	
5.11	Summary	
5.12	Key Words	
5.13	Self Assessment Questions and Exercises	
5.14	Further Readings	
UNIT 6	ORGANIZATIONAL POWER	91-103
6.0	Introduction	
6.1	Objectives	
6.2	Organizational Power: An Overview	
6.2.1	Definition and Nature of Organizational Power	
6.2.2	Sources and Characteristics of Power	
6.2.3	Types of Power	
6.3	Power Centre in Organization	
6.4	Effective Use of Power or Power Tactics	
6.4.1	Individual and Intragroup Strategies	
6.4.2	Intergroup Power Tactics	
6.5	Answers to Check Your Progress Questions	
6.6	Summary	
6.7	Key Words	
6.8	Self Assessment Questions and Exercises	
6.9	Further Readings	
UNIT 7	ORGANIZATIONAL POLITICS	104-111
7.0	Introduction	
7.1	Objectives	
7.2	Political Behaviour in Organizations	
7.2.1	Factors Creating Political Behaviour	
7.2.2	Impact of Organizational Politics	
7.2.3	Personality and Political Behaviour	
7.3	Techniques of Managing Politics in Organizations	
7.4	Answers to Check Your Progress Questions	
7.5	Summary	
7.6	Key Words	
7.7	Self Assessment Questions and Exercises	
7.8	Further Readings	
UNIT 8	ORGANIZATIONAL CONFLICT MANAGEMENT	112-130
8.0	Introduction	
8.1	Objectives	
8.2	Stress Management	
8.2.1	Types of Consequences and Sources of Stress	
8.2.2	Strategies for Managing Stress	
8.3	Organizational Conflict	
8.3.1	Constructive and Destructive Conflict	
8.4	Conflict Process	
8.4.1	Strategies for Encouraging Constructive Conflict	
8.5	Strategies for Resolving Destructive Conflict	

- 8.6 Answers to Check Your Progress Questions
- 8.7 Summary
- 8.8 Key Words
- 8.9 Self Assessment Questions and Exercises
- 8.10 Further Readings

BLOCK III: ORGANISATIONAL CLIMATE AND CULTURE

O

UNIT 9 ORGANIZATIONAL DYNAMICS

131-147

- 9.0 Introduction
- 9.1 Objectives
- 9.2 Organizational Effectiveness and Dynamics
 - 9.2.1 Factors Affecting Organizational Effectiveness
 - 9.2.2 Organizational Efficiency
 - 9.2.3 Efficiency vs. Effectiveness
 - 9.2.4 Organizational Excellence
- 9.3 Meaning, Approaches and Factors Affecting Organizational Climate
 - 9.3.1 Perceived Characteristics of Culture and Climate
 - 9.3.2 Dimensions of Organizational Climate
 - 9.3.3 Determinants of Organizational Climate
- 9.4 Answers to Check Your Progress Questions
- 9.5 Summary
- 9.6 Key Words
- 9.7 Self Assessment Questions and Exercises
- 9.8 Further Readings

UNIT 10 ORGANIZATIONAL CULTURE

148-163

- 10.0 Introduction
- 10.1 Objectives
- 10.2 Meaning and Significance of Organizational Culture
 - 10.2.1 Organizational Climate
- 10.3 Creation and Maintenance of Culture
 - 10.3.1 Sustaining Culture
- 10.4 Change and Organizational Culture
- 10.5 Impact of Organizational Culture
 - 10.5.1 Theories
 - 10.5.2 Issues in Organizational Culture
- 10.6 Answers to Check Your Progress Questions
- 10.7 Summary
- 10.8 Key Words
- 10.9 Self Assessment Questions and Exercises
- 10.10 Further Readings

UNIT 11 INTERPERSONAL COMMUNICATION

164-180

- 11.0 Introduction
- 11.1 Objectives
- 11.2 Interpersonal Communication: An Overview
 - 11.2.1 Communication Process Model
 - 11.2.2 Essential Elements of Communication
- 11.3 Behavioural Communication and Uses to Business
- 11.4 Communication Networks

- 11.5 Types of Communication
 - 11.5.1 Communication Technologies
- 11.6 Communication Barriers
 - 11.6.1 Noise Barriers
 - 11.6.2 Interpersonal Barriers
 - 11.6.3 Cultural Barriers
 - 11.6.4 Sender Credibility
 - 11.6.5 Emotions
 - 11.6.6 Multi-meaning Words
 - 11.6.7 Feedback Barriers
- 11.7 Overcoming Communication Barriers
- 11.8 Answers to Check Your Progress Questions
- 11.9 Summary
- 11.10 Key Words
- 11.11 Self Assessment Questions and Exercises
- 11.12 Further Readings

BLOCK IV: CHALLENGES AND ORGANISATIONAL DEVELOPMENT

UNIT 12 ORGANIZATIONAL CHANGE

181-195

- 12.0 Introduction
- 12.1 Objectives
- 12.2 Meaning, Nature and Importance of Organizational Change
 - 12.2.1 Levels of Change
 - 12.2.2 Importance of Change
 - 12.2.3 Change Process
 - 12.2.4 Causes of Change
 - 12.2.5 Forces that Introduce Change
 - 12.2.6 Proactive vs. Reaction Change
 - 12.2.7 Stability Vs. Change
- 12.3 Managing Change
- 12.4 Resistance to Change
- 12.5 Answers to Check Your Progress Questions
- 12.6 Summary
- 12.7 Key Words
- 12.8 Self Assessment Questions and Exercises
- 12.9 Further Readings

UNIT 13 ORGANIZATIONAL BEHAVIOUR: RESPONSES TO GLOBAL AND CULTURAL DIVERSITY

196-204

- 13.0 Introduction
- 13.1 Objectives
- 13.2 Challenges at International Level
- 13.3 Homogeneity and Heterogeneity of National Cultures
 - 13.3.1 Differences Between Countries
- 13.4 Answers to Check Your Progress Questions
- 13.5 Summary
- 13.6 Key Words
- 13.7 Self Assessment Questions and Exercises
- 13.8 Further Readings

UNIT 14 ORGANIZATIONAL DEVELOPMENT

205-221

- 14.0 Introduction
- 14.1 Objectives
- 14.2 Meaning, Nature, Scope and Features of OD
 - 14.2.1 Objectives and Role of OD Programmes
 - 14.2.2 Features and Basic Assumptions of OD
 - 14.2.3 Nature and Scope
 - 14.2.4 Problems and Challenges of OD
- 14.3 Process of Organizational Development
- 14.4 Organizational Development Interventions and Process
- 14.5 Phases of Organizational Development Intervention
 - 14.5.1 Learning Organizations
- 14.6 Developing Gender Sensitive Workplace
- 14.7 Answers to Check Your Progress Questions
- 14.8 Summary
- 14.9 Key Words
- 14.10 Self Assessment Questions and Exercises
- 14.11 Further Readings

INTRODUCTION

A lot of water has flown under the bridge, as they say, since the time of Fredrick Taylor's scientific management principles, where the emphasis was on productivity rather than people. While these principles were considered to be valid and valuable and gained a considerable attention by the industrial world at the time, the Hawthorne experiments of the late 1920s shifted focus from productivity to people and it was recognized that productivity, as a by-product, automatically increased when workers were truly happy with their jobs. Thus the field of organizational behaviour took roots and considerable research and study focussed on the human behaviour in the work environment. Even though intuition and common sense can help us in understanding, predicting and controlling human behaviour, these are poor substitutes for a systematic and analytical approach to the field. This books is specifically designed and prepared to serve such purpose.

We are fast becoming a part of a new area of management. No longer does a manager sit in an ivory tower and issue directives from a distance. The traditional authority structure is giving way to employee involvement, work teams, group spirit, participative decision-making, lateral relations, flexible work structures and more. High productivity and high quality-of-work-life are going hand in hand. The management is becoming more and more aware that an organization has no life but for the people in it. Accordingly, it is becoming more and more people oriented as against task oriented of the previous years.

Organizational behaviour is the study of individual and group behaviour in work settings. This study, complex as it is, has acquired new dimensions with the dynamic social and technological changes of the past two decades. Changing demographics, cultural diversity, more educated work force and awareness of rights and privileges has prompted a new look at the entire organizational structures and systems.

This book, *Organizational Behaviour*, is written keeping the distance learning student in mind. It is presented in a user-friendly format using a clear, lucid language. Each unit contains an Introduction and a list of Objectives to prepare the student for what to expect in the text. At the end of each unit are a Summary and a list of Key Words, to aid in recollection of concepts learnt. All units contain Self-Assessment Questions and Exercises, and strategically placed Check Your Progress Questions so the student can keep track of what has been discussed.

NOTES

BLOCK - I

*Overview of Organizational
Behaviour*

BASICS OF ORGANIZATIONAL BEHAVIOUR

NOTES

UNIT 1 OVERVIEW OF ORGANIZATIONAL BEHAVIOUR

Structure

- 1.0 Introduction
- 1.1 Objectives
- 1.2 History
 - 1.2.1 Meaning
 - 1.2.2 Elements or Disciplines
 - 1.2.3 Opportunities
- 1.3 Trends, Evolution and Approaches
 - 1.3.1 Models
- 1.4 Challenges
- 1.5 Global Emergence of OB as a Discipline
- 1.6 Management Functions: Relevance to Organizational Behaviour
- 1.7 Answers to Check Your Progress Questions
- 1.8 Summary
- 1.9 Key Words
- 1.10 Self Assessment Questions and Exercises
- 1.11 Further Readings

1.0 INTRODUCTION

The study of Organizational Behaviour (OB) is interesting as well as challenging. This study relates to individuals and group of individuals working together in teams. The study becomes all the more interesting with the influence of situational factors around the individuals. We all are aware that no two individuals are similar; hence, it depends on the acumen of the manager to analyse the behaviour of the individual and delegate the work to him accordingly. Organizational behaviour endeavours to gather information with reference to a topic in a scientific manner under controlled conditions.

1.1 OBJECTIVES

After going through this unit, you will be able to:

- Discuss the history of organizational behaviour
- State the elements/disciplines of organizational behaviour

- Analyse the relevance of management function to organizations
- Describe the evolution and approaches with reference to organizational behaviour
- Evaluate the global emergence of organizational behaviour as a discipline

NOTES

1.2 HISTORY

The application of behaviour theory perhaps occurred when human beings organized themselves into family units and when the principle of division of labour was probably applied to improve the chances of family survival as a unit. The concept of family itself required that life be organized and resources of food be apportioned in a manner so as to maximize their usefulness. Taking proper steps to safeguard the family from attacks by wild animals, planning on where to go hunting and whom to go with are all subtle ingredients of management, group dynamics and organizational behaviour. Specialized roles were assigned to individuals who were best able to perform them. This belief suggests the likelihood that gender oriented behaviours emerged in response to certain biological and sociological necessities. While women stayed back to look after and raise the children, men took the role of hunting and providing food and other necessities for the family.

The problems of effectively managing people, which involve some aspect of human and organizational behaviour, have been perennial and the early recorded history shows the application of some management techniques as far back as 5,000 BC when the ancient Sumarians used written records in assisting governmental operations. The Egyptian pyramids built as early as 3,000 BC required the organized efforts of nearly 100,000 people. It would be natural to assume that all functions of modern management such as planning, organizing, directing and controlling, played a heavy and coordinated role in the construction of these monuments, where each pyramid covering 13 acres required 2.3 million blocks, each block weighing approximately 2.5 tons. At about the same time, written evidence is available relating to a deliberate concern about managing workers' behaviour and the importance of specialization of labour and hierarchy of authority. These accounts have been provided by Chinese and Mesopotamians between 3,000 and 4,000 BC. In the subsequent years, some of the recorded examples of managerial skills are the highly sophisticated cities of Mohanjodaro in India and the palaces of Assur and Babylon. The writings of Socrates and Plato discuss the universality of management and specialization. Alexander the Great used a staff organization extensively in his military conquests from 336 BC to 323 BC. The Roman Empire showed an outstanding expertise in general administration, political, military and judicial judgement issues, using communications and centralized control.

History does not provide any clear evidence of any further developments in managerial skills or organizational behaviour until the time of Nicolo Machiavelli,

an Italian philosopher and political advisor in the early sixteenth century. Machiavelli (1469–1527) recognized the necessity of political effectiveness without any regards for ethics and morality of operations. He endorsed such philosophy as “ends justify the means” that may be considered as ethically questionable. He was a political realist and has been sometimes called the ultimate pragmatist. His views are significant in the sense that even today, management has only the profitability of the organization in mind and uses whatever political maneuverability is necessary to achieve this goal. The field of organizational behaviour becomes important in this respect because the study of human and worker behaviour is meant to give the management tools for predicting and controlling such behaviour.

An organized development of economic science and management as distinct disciplines began around the beginning of the eighteenth century when there was a movement from the cottage (where production of items were limited to family living and working quarters) to the factory system (where products are produced in a centralized location) and this gave birth to the Industrial Revolution in Europe and especially in England. The Industrial Revolution changed the entire behaviour of the civilized world. Adam Smith is known to have established the management principles in the area of division of labour and specialization in 1776.

Before the advent of scientific management popularized by Fredrick W. Taylor, that put emphasis on productivity in the early 1900s, many management scholars recognized the role and input of workers in the management process. For example, Robert Owen (1771–1858) believed that the returns from investment in human resources would be far superior to the investment in machinery and equipment. He believed that the workers should work because they want to work and not because they have to work. This concept is the fundamental thinking behind the study of organizational behaviour. He believed that the manager should take the worker into his confidence and should not only tell him what is expected of him but also why, because an enlightened worker is a better worker. Similarly, Charles Babbage (1792–1871) believed in the importance of human factor and suggested that the interests of employees and management are closely linked and further advocated the idea of profit sharing and participative decision- making. Even though he was, perhaps, the first to propose that decisions be based upon investigation and accurate knowledge and pioneered the use of quantitative methods and industrial engineering techniques in order to maximize productivity, his ideas were based upon an intelligent organization of workers with worker participation and this could be considered as a prelude to the development of behavioural approach to management.

1.2.1 Meaning

‘Organizations’, according to Gary Johns, ‘are social inventions for accomplishing goals through group efforts’. This definition, though simple, covers a wide variety of groups such as businesses, schools, hospitals, fraternal groups, religious bodies,

NOTES

NOTES

government agencies and the like. There are three significant aspects in the above definition that require further analysis. These are:

Social inventions: The word social as a derivative of society, basically means gathering of people as against plants, machines, buildings, even though plants, machines and buildings are necessary contributors to the existence of the organization. However, organization will cease to exist if there were no people to run these organizations even if other things remain. For example, if everybody resigns from a company and no one is replaced, then it is no longer an organization even though all material assets of the company remain until they are disposed of. On the other hand, there are organizations such as neighbourhood associations that have only people in them and are without any physical assets. Accordingly, it is the people that primarily make up organizations.

Accomplishing goals: An organization is not simply a group of people at a given place. For example, a group of people in a department store would not be considered an organization even though they all have the same goal, which is shopping. However, this goal is not the common goal and there are no coordinated efforts to achieve this goal. All organizations have reasons for their existence. These reasons are the goals towards which all organizational efforts are directed. While the primary goal of any commercial organization is to make money for its owners, this goal is inter-related with many other goals. Accordingly any organizational goal must integrate in itself the personal goals of all individuals associated with the organization. For example, General Motors may have the commercial goal of producing and selling more cars every year, community goal of reducing air pollution created by its products and the employee goals of earning and success achievement. Similarly, non-profit organizations such as universities may have the main goal of creating and communicating knowledge along with other goals such as scholarly reputation and teaching excellence. The degree of achievement of such goals reflects the overall performance and effectiveness of the organization.

Group effort: People, both as members of the society at large and as a part of an organization, interact with each other and are interdependent. The concept of marriage and family itself is based upon sharing of life and efforts. The need for such interdependence has both sociological and anthropological roots. From the very beginning of human era, people formed groups to go hunting, and to protect their families from intruders. Secondly, interdependency is necessary for survival as a lone man can accomplish little because of many constraints placed upon him, both physiological as well as societal. Additionally, technological complexities of modern day products necessitate working in groups. For example, no single person can put together a 747 Jumbo Jet. Literally hundreds and thousands of people are involved in coordinated activities in the process of designing and building such an airplane. Individuals in themselves have physical and intellectual limitations and these limitations can only be overcome by group efforts.

The study and understanding of human behaviour has posed a strong challenge to both the scientific thinkers as well as behaviourists. They have long been interested in finding out the causes of human behaviour. Science has always been involved in the cause and effect phenomenon and the relationship between them as to how a cause causes its effect. Similarly, the behaviour scientists want to find out why people behave the way they do. They want to find a common denominator of human behaviour that can be generalized and classified into standard causes that result into identifiable and functionally dependent patterns of behaviour. By discovering and analyzing these causes, the behaviour can be predicted, manipulated and controlled.

Organizational behaviour is concerned with people's thoughts, feelings, emotions and actions in a work setting. Understanding individual behaviour is in itself a challenge, but understanding group behaviour in an organizational environment is a monumental managerial task.

Organizational behaviour can then be defined as the study of human behaviour in organizational settings, the interface between human behaviour and the organizational context, and the organization itself.

1.2.2 Elements or Disciplines

The above definition has three facets—the individual behaviour, the organization and the interface between the two. Each individual brings to an organization a unique set of beliefs, values, attitudes and other personal characteristics and these characteristics of all individuals must interact with each other in order to create an organizational setting. The organizational behaviour is specifically concerned with work-related behaviour that takes place in organizations. Organizational behaviour is a synthesis of many other fields of study and is built upon contributions from a number of behavioural disciplines. The predominant area of psychology is concerned with the study of individual behaviour. Other behavioural disciplines affect the group dynamics and the organizational system.

Psychology: Psychology is a science that seeks to study, understand, measure, explain and possibly change the behaviour of humans. Relative to organizational environment, it assists in understanding motivation at work, individual and interpersonal perceptions, functioning of personality, effects of training, leadership effectiveness, job satisfaction and attitude measurement. It also studies such behaviour patterns as fatigue, boredom and monotony that impede efficient work performance. It also studies methodologies for behaviour modification, so as to facilitate repetition of desirable behaviours.

Sociology: Sociology, as a science, has a major impact on the field of organizational behaviour. It involves the study of social systems in which individuals exercise their social roles in relation to their fellow human beings, be it within the family or within the organization. Some of the organizational processes considered are group dynamics, organizational structure, bureaucracy, power and conflict.

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Social psychology: While psychology deals with individual behaviour, and sociology deals with group behaviour, the social psychology examines interpersonal behaviour. The social psychologists are concerned with inter-group collaboration, group decision making and integration of individual needs with group activities. Another area under investigation by social scientists is the effect of change on individuals and how people adjust to change both in individual and group context.

Industrial psychology: Industrial psychology helps to understand the individual reactions to industrial environment. It involves selection and placement of individuals into particular jobs through psychological tests, study of mental health as affected by physical industrial environment, impact of organizational structure on human performance and the types of jobs affecting safety and morale of workers.

Anthropology: Anthropology primarily studies the cultural impact on individual behaviour. It is our cultural heritage that builds our value system and our sense of right and wrong that in turn affects our norms of acceptable behaviour. The differences in behaviour under the same set of circumstances can be traced to cultural upbringing and the values learned in the cultural environment. Thus, the behaviour to some degree, can be predicted on the basis of cultural generalities.

Political science: Political Science, even though considered as the study of political systems, has many ingredients that directly affect human behaviour in organizations since politics dominates every organization to some degree. Many themes of interest directly related to organizational behaviours are political manipulation, allocation of power, conflict and conflict resolution, coalition for power and self-interest enhancement.

Economics: Economics aids in the understanding of economic conditions at a given time, economic policies of the government, allocation of scarce resources to different competing alternatives, and all these factors affect the organizational climate. Organizational behaviour has learned a great deal from such economic factors as labor market dynamics, cost-benefit analysis, marginal utility analysis, human resource planning and forecasting and decision making.

Engineering: Engineering, especially the industrial engineering branch, has contributed significantly in the areas of time and motion study, work measurement, work flow analysis, job design and wage and salary administration. Each of these areas has some impact on organizational behaviour.

Medicine: is perhaps the newest field affecting organizational behaviour. The primary area of interest is work related stress, tension and depression. The study of causes and consequences of stress and use of medicinal drugs to reduce stress is fast becoming an area of study within the organizational setting.

Semantics: Semantics, one of the more recent disciplines, helps in the study of communications within the organization. Misunderstood and misdirected communication or simply lack of communication creates many behavioural problems. Accordingly, total, right and properly understood communication is very important in effective and efficient performance as per directives.

1.2.3 Opportunities

A study of OB is beneficial in several ways. In the first place, OB provides a road map to our lives in organizations. Every one of us has an inherent need to know about the world in which we live. This is particularly true in organizations, as they have a profound effect on our actions and behaviours.

Second, the field of OB uses scientific research to help us understand and predict organizational life. This is not to say that this knowledge is absolute. The decisions and actions that people in organizations make are determined by a complex combination of factors. Besides, the field of OB is not a pure science.

Third, OB helps us influence organizational events. Though it is good to understand and predict organizational events, most of us want to influence the environment in which we live.

Fourth, OB helps an individual understand himself/herself and others better. This helps improve interpersonal relations considerably. Of particular significance are topics like attitude, perception, leadership, communication, and conflict, an understanding of which will change the very style of talking and functioning of an individual.

Fifth, the field of OB is useful for maintaining cordial industrial relations. If an employee is slow in his or her work, or if his or her productivity is steadily declining, it is not always because of denial of promotion or a poor work environment. The relations between management and employees are often strained for reasons which are personnel issues, not technical.

Finally, in the last couple of years, the Indian economy has been witnessing an upward trend; every sector in the economy doing pretty well, registering an overall growth rate of seven per cent per annum. In order to sustain this trend, effective management of all sectors of the economy, particularly the industrial sector, is of paramount importance. This is where OB comes into the picture. It is a discipline which enables a manager to motivate his or her subordinates towards higher productivity and better results.

1.3 TRENDS, EVOLUTION AND APPROACHES

Let us study the trends, evolution and approaches with reference to organizational behaviour.

1. Scientific Management

The scientific management school is primarily attributed to the ideas and works of Fredrick W. Taylor, who is known as “the father of scientific management.” He called for a careful analysis of tasks and offered four principles as basis for scientific management. These principles are:

1. Every job should be broken into its elements and a scientific method to perform each element should be established.

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2. Workers should be scientifically selected with right attitudes for the job and ability and then properly trained to perform the work.
3. Management should cooperate with workers to ensure that all work is done in accordance with the scientific principles.
4. Scientific distribution of work and responsibility between workers and the managers. The management should design the work, set up and supervise the task and the workers are free to perform the task in the best possible way.

Scientific management quickly became the mainstay of American business thinking. It helped lay the foundation for job specialization and mass production and resulted in the following specific applications.

1. Maximum utility of efforts, thus eliminating waste.
2. More emphasis on fitting workers to particular tasks and training them further to best utilize their abilities.
3. Greater specialization of activities with proper design of jobs, specification of methods and set time and motion standards.
4. Establishment of standards of performance as average output and maximum output per capita.
5. The role of compensation and other incentives for increase in productivity.

The scientific management primarily emphasized on economic rationality, efficiency and standardization and ignored the roles of individuals and groups in the organizations. It basically ignored the social needs of the worker. This resulted in criticism of scientific management and advent of behavioural approach to management that formed the foundations for organizational behaviour. The basic assumption of scientific management that most people are motivated primarily by economic rewards seems to be too mechanical and physiological and it does not take into consideration the organizational and motivational concerns such as job satisfaction and self actualization.

2. The Behavioural Approach to Management

The behavioural approach, also known as human relations approach, is based upon the premise of increase in productivity and managerial efficiency through an understanding of the people. The growth and popularity of this approach is attributable to Elton Mayo (1880–1949) and his Hawthorne experiments. These studies (1927–1932) were conducted at Western Electric’s Hawthorne plant near Chicago to determine the effect of better physical facilities on worker output. These studies showed that better physical environment or increased economic benefits in themselves were not sufficient motivators in increasing productivity. Thus, the emphasis of the study shifted to psychological and social forces. These experiments demonstrated that in addition to the job itself, there are other factors that influence a worker’s behaviour. Informal social groups, management-employee

relations and the interrelatedness of many other facets of work environment were found to be quite influential in improving productivity. Mayo discovered that when workers were given special attention by management, the productivity increased irrespective of actual changes in the working conditions.

The Hawthorne studies represented a major step forward in systematically studying worker behaviour, thus laying the foundation for the field of Organizational Behaviour.

Central to this approach was an increased understanding of the individual worker with emphasis on motivation, needs, interpersonal relationships and group dynamics. These experiments suggested that an office or a factory is not only a work place but also a social environment in which the employees interact with each other. This gave rise to the concept of “the social man” whose interactions with others would determine the quality and quantity of the work produced. It must be understood, however, that in spite of the fact that this social environment is an important factor in improving the quality and output, it does not replace economic benefits for low level salaried workers and indeed it may increase turnover of employees, even if the working conditions are satisfactory.

In support of Mayo’s contention and findings, Abraham Maslow presented a theory of individual needs. The basic aim of this approach is to increase the organizational effectiveness of its human resources, which could be achieved by properly taking care of human needs. The human needs could be physiological or psychological. According to Maslow, these needs fall into a hierarchy. At the bottom of the hierarchy are the lower level needs such as the need for food, water and physical comfort as well as security of job and love and affection needs. At the upper level are the needs for respect and self-fulfillment. In general, the lower level needs must be satisfied before the higher level needs arise. Being aware of these needs enables a manager to use different methods to motivate workers. This is important and significant because of the complexity of man’s nature. Different people will react differently to the same situation or their reactions may be similar even when the situations are different. Hence the management must be aware of these differences and react accordingly. The level of performance of an employee is a function of his ability and his motivation. The first determines what he “can” do and the latter determines what he “will” do. The ability can always be judged and measured and depends upon background, skills and training. Motivation, on the other hand, is the force within. Wherever there is a strong motivation, the employee’s output increases. A weak motivation has opposite effect. Hence management must understand what motivates people towards better performance and take steps to create an environment that induces positive and strong motivation.

The behavioural approach had a major impact on management thinkers right through the 1970s and indeed changed the structure of the organization from the bureaucratic to participative in which the workers have more freedom to participate in the affairs of the organization.

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3. Contingency Approach

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Contingency approach to management and organizational behaviour rejects the notion that a universal set of principles and methodologies can be applied to managing behaviour in organizations. It implies that there is “no one best way” of managing, but the best way depends upon the situation and circumstances. Each situation must be characterized on its own and then managed accordingly. It is necessary to look at all the factors in the situation and then either management should adopt their leadership behaviour to accommodate these different situations or only such managers should be assigned to such situations that are compatible with their leadership styles.

The contingency view of management and organizational behaviour focused on situational analysis and was first proposed by Fred E. Fiedler who stated that management must identify specific responses to specific problems under specific situations. The critics of the situations approach contend that while there are no universal principles applicable to all management and organizational situations, each such situation is not so unique and specific as to require unique and tailor-made responses. Hence, there must be some common grounds and common characteristics of all situations that require well planned and measured responses. Fred Luthans, a researcher in organizational structure and behaviour has identified four contingencies that must be addressed by managers.

These are:

1. An organization’s structure of management authority must match the demands of its environment.
2. An organization’s structure of management authority must coincide with its system of technology.
3. Individual subsystems, such as departments and work groups, must match their particular environment, and management authority must coincide with the technological requirements of these subsystems.
4. The leadership behaviour of managers in the organization, and in its subsystems, must be appropriate to situational demands.

The contingency approach has its value in the sense that it is highly flexible and has sufficient latitude to accept differences in situations so that appropriate responses to these situations can be formulated.

Another advantage of contingency approach stems from the belief that the organizational environment is highly dynamic and constantly changing. This approach forces managers to learn to adapt to these changes effectively.

1.3.1 Models

There are four major models of organizational behaviour. These include:

- I. **Autocratic:** According to this model, managers have the prime authority in the organization or in other words, the power center are different managers.

In this type of organizational behaviour, the need of the employees that is fulfilled is subsistence. However, minimal performance results are assured in these types of organizations.

- II. **Custodial:** The prime basis of this type of model is the economic resources. However there is a managerial orientation of money. The employees of such an organization are oriented towards dependence on the organization particularly in terms of security and benefits.
- III. **Supportive:** The prime basis of this type of model is leadership with the managerial orientation of support. The employees of such an organization are oriented towards job performance and participation. The employee needs related with status and recognition are met by such organizations.
- IV. **Collegial:** The prime basis of this type of model is partnership with managerial orientation of teamwork. The employees are mainly oriented towards self-discipline and responsible behaviour. Self-actualization needs of the employees are met by such organizations.

Though different models of organizational behaviour have been categorically defined, but most of the organizations are not based exclusively on a single model. It is observed that in most organizations, there is generally a predominance of one model and with some overlapping characteristics of other models also visible in the functioning of an organization.

The first organizational behaviour model is based on Mc Gregor's Theory X and has its roots in the Industrial Revolution. The remaining three models are built on Mc Gregor's Theory Y. These theories will be discussed in the units ahead. It cannot be outrightly stated that as we move from first model to the other three, they are getting better and better. It can be however said that there has been evolution and better models have resulted over a time. The collegial model cannot be described as the best model of organizational behaviour. It may be however considered as the basis for the next new model or it may serve as a prototype for the next model that will be developed.

Rational Decision-Making Model

Based on the organizational behaviour, a model of decision-making has evolved known as the Rational Decision-Making model. It may be associated with ensuring logical decisions.

Method: This model transpires from the organizational behaviour. It is based on following a logical path of steps from identification of solution to obtaining a solution. The model comprises seven steps and is aimed at rational and logical decision making.

- (i) Defining the problem
- (ii) Arriving at all possible solutions
- (iii) Formulate criteria for objective assessment
- (iv) Choose the best solution amongst the different solution alternatives

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These four steps form the core of the Rational Decision-Making model. However, there are three more steps which include:

- (i) Implementing the finally selected decision
- (ii) Evaluating the success of the finally selected solution alternative
- (iii) Modifying the actions and the decisions based on the evaluation conducted in the previous step

The Bounded Rational Decision-Making Model: A More Realistic Approach

The Rational Decision-Making model is based on the assumption that the desired outcomes can be achieved through a single, best solution. However, this is not the case with the Bounded Rational Decision-Making model. According to this model, it is important that the problems and decisions need to be reduced to a level where it is easier to understand them completely. Thus, the Bounded Rational Decision-Making model suggests that important interpretations need to be made out of the available information and within the limitations of the information that is available; an appropriate and logical decision needs to be taken. Thus, according to this model, to some extent the decision making process has to be compromised upon.

According to this model, the leader of the decision-making group is expected to take a solution which appears to be the best within the prevailing circumstances. It may or may not be a perfect solution but it however takes care of all the operational limitations which may be present due to the complexity of the situation, the ambiguity in the available information, etc. However, in this model also, the steps involved in the decision making process are similar to those in the previously discussed model. The model assumes that it is not possible for a human being to have all the knowledge related to the different possible solution alternatives and therefore a decision has to be taken within the constraints of the available information.

SOBC Model of Organizational Behaviour

The SOBC model of organizational behaviour has four components:

- (i) Stimulus (ii) Organism (iii) Behaviour and (iv) Consequence

(i) **Stimuli:** In this model, the stimulus is provided by the environment. There are two types of stimuli: (a) *Overt stimuli:* These are the observable clues in the environment that trigger behaviour. (b) *Covert stimuli:* These are the cues in the environment that are not consciously noticed.

(ii) **Organism:** The individual constitutes organism of the SOBC Model. Perceptual filters, sensory screens (seeing, hearing, feeling, smelling and tasting), emotional screens (personality, self-concept, attitudes, beliefs and habits), learning and motivation largely determine the organizational behaviour of the individual.

- (iii) **Behaviour:** It refers to individual behaviour that comprises overt and covert responses and patterns of behaviour. The overt response is open and observable behaviour, while the covert response is hidden, concealed or secret kind of behaviour.
- (iv) **Consequence:** It refers to results of behaviour. The result may be positive or negative. The positive result is the consequence that results in satisfaction. It leads to a desire to repeat the behaviour. The negative result is the consequence that ends in dissatisfaction. It leads to a desire not to repeat the behaviour.

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1.4 CHALLENGES

Diversity can be defined as a mixture of people who vary by age, gender, race, religion, and/ or lifestyle (Thomas 1992). One management challenge is to help people understand diversity so that they can establish productive relationships with people at work. Effectively managing a diverse workforce means adopting practices that recognize all aspects of diversity. Perhaps nothing has greater implications for managing diversity than the changing characteristics of the workforce. The composition of the workforce is changing at a very high pace. Most multinational organizations have a highly diverse workforce. Organizations like Hewlett-Packard conduct workshops for all employees during which the emphasis is on educating and encouraging managers to understand culturally different employees and to create an environment that fosters productivity.

Workforces in Asia, Western Europe, Latin America, and North America are growing more complex and diverse. Thus, managers need to recognize differences resulting from this diversity, particularly in terms of what employees want from their jobs. Some of the challenges that organizations face with a diverse workforce are listed here (De Luca and McDowell 1992):

1. **Language differences:** Unless employees can understand each other, communication is difficult or even impossible. Employees cannot train each other or work together if they can't communicate. Language barriers, therefore, pose real and often serious problems that could lead to misunderstandings regarding performance standards, work methods, safety measures, and other essential working conditions.
2. **National ethnic groupings:** Sometimes employees tend to form strong ethnic groups on the basis of similarities. Although such grouping develops a strong sense of teamwork within the group, it doesn't promote working with others who don't share the same language and cultural heritage.
3. **Attitude and cultural differences:** Most people have developed attitudes and beliefs about others by the time they seek a job. However, some attitudes and beliefs create frustration, anger, and bitterness in those at whom they are aimed. Managers who want to foster employee tolerance are opting for

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a major change. In many organizations, women and minorities are bypassed when important, formal decisions are made. Informally, these people often are left out when others go to lunch or a sporting event. These informal get-togethers give older employees a chance to counsel junior employees about coping with problems. For managers to effectively create an environment where everyone can contribute to the organizations goals, attitudes must change.

1.5 GLOBAL EMERGENCE OF OB AS A DISCIPLINE

Although the United States was the dominant economic power in the world throughout the twentieth century, very few American business houses tried to expand beyond American shores. It was really during the last quarter of the century that businesses began to focus globally. However, it seemed that Japanese firms were seizing centre-stage with phenomenal growth in the world markets during the 1970s and 1980s. Japanese firms such as Toyota and Sony challenged management practices with an emphasis on work team and total quality management (TQM). Through the processes of continuous quality improvement and just-in-time (JIT) manufacturing, Japanese products became the world-class standard of quality and innovation in customer products.

Japan entered the 1990s with a recession that brought about major upheavals in the way business had to be done. The once-assumed sacred practice of lifetime employment within the families of large firms crumbled as managers began to lay off employees to cut cost and scale back to excess production capacity. Further, the breakdown of the Soviet Union in the early 1990s into independent republics shifted the world economic-political order. Europe began a new era of technological and economic growth. Historically protected industries such as telecommunications and banking got transformed through open competition and mergers and acquisitions on a global scale and the European Union became a reality (Rossant 1999). Then in 1998, overheated economies in Asia—Indonesia and Thailand in particular— devalued their currencies and the ripple effect of economic destabilization extended to Latin America and other emerging regions. The United States once again was the clear global leader in political and military influence and in business practice and success. But a major disturbance in 2001, the destruction of the World Trade Center (WTC) as a result of terrorist activities, contributed to American insecurity. This short-term history of world events over the past 30 years emphasizes the wild swings of instability that herald an era of global business, both competition and cooperation. A global view becomes critical to managing in the twenty-first century.

Besides these, due to other changes in the world economy, the entire world has become a single stage for operating business. Hewlett-Packard assembles

computers in Guadalajara, Mexico, and 3M makes chemical and electrical parts in Bangalore, India. The reason for these and other organizations choosing international locations for some of their new facilities are complex (Lei and Slocum 1992). These organizations want to establish sophisticated manufacturing and service operations that promise growth, not just exploit cheap labour. New technology and continuing drive for greater profits push organizations to build plants and offices in other countries—plants that require only a fraction of the employees required in plants back home.

The implication of these discussions for organizational behaviour lies in the fact that now we cannot assume that people throughout the world hold the same implicit employment relationship expectations. Nor can we assume that everyone in a globally diverse workforce will embrace work teams, employee involvement, reward systems, and other practices that are widely adopted in some of the developed Western countries.

Globalization emphasizes the need to recognize the contingencies of effective OB practice while dealing with a diverse workforce.

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1.6 MANAGEMENT FUNCTIONS: RELEVANCE TO ORGANIZATIONAL BEHAVIOUR

In addition to the four managerial functions of planning, organizing, directing and controlling, there are ten managerial roles that are commonly defined. These roles can be defined as the organized sets of behaviours identified with the position. These roles were developed by a Canadian academic and author on business management, Henry Mintzberg in the late 1960s after a careful study of executives at work. All these roles, in one form or another, deal with people and their behaviour. These ten managerial roles are divided into three categories. The first category of 'interpersonal roles' arises directly from the manager's position and the formal authority bestowed upon him. The second category of informational roles is played as a direct result of the interpersonal roles and these two categories give rise to the third category of decisional roles.

These roles, in the context of organizational behaviour, are explained in more detail.

- 1. Interpersonal roles:** Managers spend a considerable amount of time in interacting with other people both within their own organizations as well as outside. These people include peers, subordinates, superiors, suppliers, customers, government officials and community leaders. All these interactions require an understanding of interpersonal behaviour. Studies show that interacting with people takes up nearly 80 per cent of a manager's time. These interactions involve the following three major interpersonal roles:

- (i) Figurehead role:* Managers act as symbolic figureheads performing social or legal obligations. These duties include greeting visitors, signing legal documents, taking important customers to lunch, attending a

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subordinate's wedding or speaking at functions in schools and churches. All these, primarily, are duties of a ceremonial nature but are important to the smooth functioning of the organization.

(ii) **Leadership role:** The influence of the manager is most clearly seen in his role as a leader of the unit or organization. Since, he is responsible for the activities of his subordinates, he must lead and coordinate their activities in meeting task-related goals and he must motivate them to perform better. He must be an exemplary leader so that his subordinates follow his directions and guidelines with respect and dedication.

(iii) **Liaison role:** In addition to their constant contact with their own subordinates, peers and superiors, the managers must maintain a network of outside contacts in order to assess the external environment of competition, social changes or changes in governmental rules and regulations. In this role, the managers build up their own external information system. This can be achieved by attending meetings and professional conferences, by personal phone calls, trade journals and informal personal contacts with outside agencies Informational roles.

2. Information Source: By virtue of his interpersonal contacts, a manager emerges as a source of information about a variety of issues concerning the organization. In this capacity of information possessor, a manager executes the following three roles:

(i) **Monitor role:** The managers are constantly monitoring and scanning their environment, both internal and external, collecting and studying information regarding their organization and the outside environment affecting their organization. This can be done by reading reports and periodicals, by interrogating their liaison contacts and through gossip, hearsay and speculation.

(ii) **Information disseminator role:** The managers must transmit the information regarding changes in policies or other matters to their subordinates, their peers and to other members of the organization. This can be done through memos, phone calls, individual meetings or group meetings.

(iii) **Spokesman role:** A manager has to be a spokesman for his unit and represent his unit in either sending relevant information to people outside his unit or making some demands on behalf of his unit. This may be in the form of the president making a speech to a lobby on behalf of an organizational cause or an engineer suggesting a product modification to a supplier.

3. Decisional roles: On the basis of the environmental information received, a manager must make decisions and solve organizational problems. In that respect, a manager plays four important roles. Which are explained as follows:

- (i) **Entrepreneurship role:** As entrepreneurs, managers are constantly involved in improving their units and facing the dynamic technological challenges. They are constantly on the lookout for new ideas for or in product improvement or product addition. They initiate feasibility studies, arrange for capital for new products and ask for suggestions from the employees for ways to improve the organization. This can be achieved through suggestion boxes, holding strategy meetings with project managers and R&D personnel.
- (ii) **Conflict handling role:** The managers are constantly involved as arbitrators in solving differences among the subordinates or the employee's conflicts with the management. These conflicts may arise due to demands for higher pay or other benefits or these conflicts may involve outside forces such as vendors increasing their prices, a major customer going bankrupt or visits by governmental inspectors. Managers must anticipate such problems and take preventive action, if possible, or take corrective action, once the problems have arisen. These problems may involve labor disputes, customer complaints, employee grievances, machine breakdowns, cash flow shortages and interpersonal conflicts.
- (iii) **Resource allocator:** The third decisional role of a manager is that of a resource allocator. The managers establish priorities among various projects or programmes and make budgetary allocations to different activities of the organization based upon these priorities. They assign personnel to jobs, they allocate their own time to different activities and they allocate funds for new equipment, advertising and pay raises.
- (iv) **Negotiator role:** The managers represent their units or organizations in negotiating deals and agreements within and outside the organization. They negotiate contracts with the unions. Sales managers may negotiate prices with prime customers. Purchasing managers may negotiate prices with vendors.

All these roles are important in a manager's job and are interrelated, even though some roles may be more influential than others depending upon the managerial position. For example, sales managers may give more importance to interpersonal roles while the production managers give more importance to decisional roles. The managerial effectiveness is most often determined by how well the decisional roles are performed.

Check Your Progress

1. Who is known as the father of scientific management?
2. Name the four models of organizational behaviour.
3. State the three major facets of organizational behaviour.

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1.7 ANSWERS TO CHECK YOUR PROGRESS QUESTIONS

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1. The scientific management school is primarily attributed to the ideas and works of Fredrick W. Taylor, who is known as the father of scientific management.
2. There are four major models of organizational behaviour. These include the following:
 - (i) Autocratic
 - (ii) Custodial
 - (iii) Supportive
 - (iv) Collegial
3. The three major facets of organizational behaviour are the individual behaviour, the organization and the interface between the two.

1.8 SUMMARY

- The application of behaviour theory perhaps occurred when human beings organized themselves into family units and when the principle of division of labour was probably applied to improve the chances of family survival as a unit.
- Before the advent of scientific management popularized by Fredrick W. Taylor, that put emphasis on productivity in the early 1900s, many management scholars recognized the role and input of workers in the management process.
- ‘Organizations’, according to Gary Johns, ‘are social inventions for accomplishing goals through group efforts’.
- The organizational behaviour is specifically concerned with work-related behaviour that takes place in organizations. Organizational behaviour is a synthesis of many other fields of study and is built upon contributions from a number of behavioural disciplines.
- A study of OB is beneficial in several ways. In the first place, OB provides a road map to our lives in organizations. Every one of us has an inherent need to know about the world in which we live. This is particularly true in organizations, as they have a profound effect on our actions and behaviours.
- In addition to the four managerial functions of planning, organizing, directing and controlling, there are ten managerial roles that are commonly defined. These roles can be defined as the organized sets of behaviours identified with the position.

- The scientific management school is primarily attributed to the ideas and works of Fredrick W. Taylor, who is known as “the father of scientific management.” He called for a careful analysis of tasks and offered four principles as basis for scientific management.
- Based on the organizational behaviour, a model of decision-making has evolved known as the Rational Decision-Making model. It may be associated with ensuring logical decisions.
- Diversity can be defined as a mixture of people who vary by age, gender, race, religion, and/ or lifestyle (Thomas 1992). One management challenge is to help people understand diversity so that they can establish productive relationships with people at work.
- Although the United States was the dominant economic power in the world throughout the twentieth century, very few American business houses tried to expand beyond American shores. It was really during the last quarter of the century that businesses began to focus globally.
- Ever since the Industrial Revolution, people performed carefully prescribed sets of tasks—known as jobs—within large networks of people who answered to those above them in hierarchical arrangements known as organizations.

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1.9 KEY WORDS

- **Semantics:** It helps in the study of communications within the organization.
- **Anthropology:** Anthropology primarily studies the cultural impact on individual behaviour.

1.10 SELF ASSESSMENT QUESTIONS AND EXERCISES

Short Answer Questions

1. State the interdisciplinary influence on organizational behaviour.
2. What is the relevance of management function to organizations?
3. Write a short note on the global emergence of organizational behaviour as a discipline.

Long Answer Questions

1. Discuss the history of organizational behaviour.
2. What do you think are the challenges faced in maintaining diversity in workforce of an organization?

3. Explain the opportunities with reference to the study of organizational behaviour.

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1.11 FURTHER READINGS

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UNIT 2 PERSONALITY

Structure

- 2.0 Introduction
- 2.1 Objectives
- 2.2 Personality: Determinants, Structure, Behaviour, Assessment and Development
 - 2.2.1 Determinants and Structure of Personality
 - 2.2.2 Theories of Personality
- 2.3 Attitude: Nature and Dimensions
 - 2.3.1 Characteristics and Components of Attitude
 - 2.3.2 Attitude and Behaviour
 - 2.3.3 Attitude Formation
 - 2.3.4 Attitude Measurement
 - 2.3.5 Attitudes and Productivity
- 2.4 Organizational Fit and Commitment
- 2.5 Answers to Check Your Progress Questions
- 2.6 Summary
- 2.7 Key Words
- 2.8 Self Assessment Questions and Exercises
- 2.9 Further Readings

NOTES

2.0 INTRODUCTION

The concept of personality is often discussed in our daily routine and while coming across different people, one may associate different individuals with different personalities. For example, one particular individual may be having a pleasing personality while another one may be having an arrogant personality. Similarly, one individual may be having an aggressive personality while another individual may have a submissive personality. Sometimes, we refer to disagreements among people which possibly arise due to personality conflicts. Personality of an individual can be found out from his behavioural traits or temperament.

In this unit, you will study about determinants, structure, behaviour, assessment and development of personality. You will also study about the nature and dimension of attitude and the concept of organisational fit and organizational commitment.

2.1 OBJECTIVES

After going through this unit, you will be able to:

- Define personality
- List the determinants of personality

- Explain development of personality
- Explain the theories of personality
- Define organizational commitment and organizational fit

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2.2 PERSONALITY: DETERMINANTS, STRUCTURE, BEHAVIOUR, ASSESSMENT AND DEVELOPMENT

Personality of an individual plays an extremely important role in assessing the behaviour of a person at an organization. In case 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 between superior and his subordinates and ultimately it may lead to protests and unrest at the workplace. Sometimes the personality difficulties are the root cause of labour strikes. No matter how good the superior is in technical knowledge or other behavioural characteristics, it is the 'temperament' of the superior that is crucial in ensuring a cordial interaction with subordinates.

Personality has been defined by Salvatore Maddi as follows:

'Personality is a stable set of characteristics and tendencies that determine those commonalities and differences in the psychological behaviour (thoughts, feeling and actions) of people that have continuity in time and that may not be easily understood as the sole result of the social and biological pressures of the moment.'

This definition however has several aspects which must be considered. Stability of characteristics is the first important aspect which needs to be considered. Consistency in an individual's characteristics will actually define the consistency of the behavioural patterns that may be expressed by an individual. If a person's entire personality could change suddenly, then we would not be able to predict his personality traits. For example, if a person is sometimes warm and friendly and at other times he is cold and hostile, then we cannot conclude that his personality is warm and friendly. Accordingly, when assessing a person's personality, we need to look for characteristics that are relatively stable or that change only very slowly over a long period of time.

Understanding the 'commonalities and differences' is another important aspect. This helps in assessing the different aspects that an individual has similar to others and what are those points which actually make him different from the others and set him apart as an individual. Each and every person

- like all other people
- like some other people
- like no other person

Organizationally, a manager must understand that all subordinates are not alike and that each subordinate is unique and may or may not respond to the same stimuli, such as pay raise or reprimands.

Finally, we are interested in such aspects of personality that induce people to behave in a manner as required by social pressures or biological pressures. For example, if your boss wants you to do a job in a certain way, you will do it even if you disagree with your boss. That is a kind of social pressure. Similarly, you will stop working and go for lunch because you are hungry. That is a biological pressure. Hence, these behaviours do not require any explanation in terms of personality factors because the causes of such behaviour are clearly understood.

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2.2.1 Determinants and Structure of Personality

Let us now study about the determinants and structure of personality.

Type A and Type B personality and behaviour

One dimension of personality that is getting attention both from organizational as well as medical researchers is the Type A and Type B behaviour profiles. The Type A behaviour individuals are most of the times restless and impatient in their expressions. They generally aim at perfectionism and want to achieve results as quickly as possible in lesser amount of time. The other type of the individuals are those with Type B behaviour. These are generally more relaxed and patient in their expression. They do not feel the pressure of timelines. These individuals are more philosophical in nature and are however less competitive.

Some of the characteristics of the individuals with Type A personality are as follows:

- They are generally restless so they eat rapidly and keep walking or are generally on the move.
- They have the tendency to perform several tasks at one given time.
- They are generally impatient in their expressions; do not like to waste their time in waiting for others.
- They are also impatient about other individuals who are not really impatient.
- They have habit of starting with newer tasks before completing the previous ones.
- They normally schedule greater number of activities in lesser time though they are initially themselves not really sure that whether everything will be done or not.
- At times, they are involved in nervous gestures such as banging on the table and using clenched fists, etc.
- They generally do not have time to relax or enjoy life.

Thus, the Type A personality individuals are generally obsessive in nature. The managers who possess the traits of this personality pay attention to details,

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are hard-driving in nature and also keep their team members pushed towards achieving performance.

Individuals with Type B personality are generally the opposite to the Type A individuals. These type of individuals are more relaxed and sociable in nature. They have a balanced outlook in life.

Type A managers have difficulties in creating cordial interpersonal relationships and create a lot of stress for themselves and the people they deal with. They specially feel pressurized if they have to complete a task within a given deadline. Type B persons on the other hand, do put in extra effort in order to meet a deadline but do not feel pressurized.

Those persons who are classified as Type A have a strong desire and tendency to control all aspects of the situation, and if they are unable to control a situation, they react with anger and frustration. Because of their obsession with perfection, they are more apt to fear of failure and even if their work is good, they tend to underestimate the quality of their work. In case of negative outcomes, they blame themselves more than the external factors.

A comprehensive identification of Type A personality is given by Karen A. Mathews as follows:

The Type A pattern can be observed in any person who is aggressively involved in a chronic, incessant struggle to achieve more and more in less and less time, and if required to do so, against the opposing efforts of other things or other persons. The overt manifestations of this struggle include explosive, accelerated speech, a heightened pace of living, impatience with slowness, concentrating on more than one activity at a time, self-preoccupation, dissatisfaction with life, evaluation of the worthiness of one's activities in terms of numbers, a tendency to challenge and compete with others even in noncompetitive situations, and a free floating hostility. The major facets of 'core' elements of the behaviour pattern are extremes of aggression, easily aroused hostility, a sense of time urgency and competitive achievement surviving.

Research has indicated that such patterns of behaviour as exhibited by Type A personality profile, lead to health problems, specially heart related illness. In contrast, Type B persons may be hard working but feel no pressing conflict with people or time and hence are not prone to stress and coronary problems.

Assessment of Personality

While we know what personality is, we are interested to know how a given personality is formed. What determines an individual's personality? Personality can be compared to a jigsaw puzzle in which we are interested in finding out the sources of all the pieces in the puzzle as well as their interrelationships.

There are two broad categories of factors that influence the formation and development of personality. These are heredity factors and environmental factors. It is debatable as to which of these factors have a greater influence on the structure of personality. Some behaviour scientists argue that personality characteristics are

derived from heredity factors and the right type of environment only brings them out. Others feel that the effect of environment is quite strong. According to Maier, 'knowledge, skill and language are obviously acquired and represent important modifications of behaviour. Learned modifications in behaviour are not passed on to children, they must be acquired by them through their own personal experience.'

Thus a probable consensus can be reached that it is both hereditary and environmental factors together affect the personality development of an individual. There may be some environmental constraints or limitations at times which may not allow an individual to completely realize his potential. However, the complete potential of an individual comprising both physical as well as psychological aspects may be determined by the hereditary aspects that is the complex set of genes.

Personality traits and individual behaviour

There is an enormous number of human traits. It has been estimated that there may be as many as 5,000 adjectives that could be used to describe personality traits. As has been discussed before, personality is a set of relatively stable characteristics or dimensions of people that account for consistency in their behaviour in various situations. There are a few very important dimensions of personality which can be related to both interpersonal and organizational behaviour. These may be described as follows:

Authoritarianism: When an individual blindly accepts the authority, it is referred as authoritarianism. The individuals believing in this concept have a high respect for authority and follow all the directions extended by the authority extremely obediently. They adhere to conventional values, are generally conservative, endorse strong parental control in keeping the family close and together, are concerned with toughness and power, are closed minded and generally less educated.

Such people generally prove to be very good followers. This is because of their strong belief in the hierarchical order. They prove to be very good assets for a company when they work under the directions of a defined supervisor and they are extremely productive under an authoritarian organizational set up.

'Dogmatism' can also be closely related with 'Authoritarianism'. Dogmatism refers to expression of rigidity in one's beliefs. A highly dogmatic person is closed minded, and believes in blind obedience to authority and intolerance towards others. They are generally known as fanatics such as religious fanatics or political fanatics like hard core communists or right wing Nazis.

Bureaucratic personality: A bureaucratic individual also respects organizational rules and regulations but he differs from an authoritarian person in the manner that he may not blindly accept the directions of an authority. He also has respect for the authority; however this respect is not total and blind in case of a bureaucratic individual. Such individuals definitely value rules, policies, processes, regulations, subordination, formal and informal relationships in an organization.

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They are generally not innovative, do not take risks and are at ease in following established directives. Bureaucratic managers are better supervisors in types of work that are routine, repetitive and procedurized.

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Machiavellianism: A sixteenth century author named Niccola Machiavelli worked in the field of personality and identified personality profiles of the noble men of the day. The term called Machiavellianism has also been associated with the name of this author. This type of personality wishes to exercise a control over others simply by manipulating others. They do this primarily with the objective of achieving some personal goals. The individuals having this type of personality have high self-confidence and high self-esteem. They always take calculated steps and do not hesitate while using others for their own advantage and selfish interest. Their sole objective is to meet their own objectives and goals. They believe that ends justify means and do not feel guilty in using unethical means to serve their own interests. They are skilled in influencing others, and they approach the situations thoughtfully and logically. They would not hesitate to lie if necessary, and they are not easily swayed by a sense of friendship, trust or loyalty. They are specially successful in exploiting structured situations and vulnerable people.

Problem solving style: These individuals indulge in different ways and means and they have their own style of making decisions. These facets are also reflected through their personality traits. For example, some of the people with this type of personality are well planned, thorough in their approach, pay attention to details, etc. However, some others are impulsive and they just go ahead with something which is extremely obvious. The problem solving style has two dimensions. These dimensions are:

- (i) Collecting and organizing data.
- (ii) Making decisions using the data and information gathered from the data.

Further, in the process of information gathering also, two styles are involved. These are:

- (i) Sensation: The first style is known as sensation. Sensation-oriented people prefer routine and order, structured situations, and put emphasis on precise and well-defined details.
- (ii) The second style known as intuitive style, involves individuals who dislike routine, dislike repetition and prefer new problems. They enjoy learning new skills but follow their instinct and jump to conclusions. Such persons often enjoy fantasy, daydream a lot and thus are subject to greater error of fact. They change their mind quickly and often do not finish what they start before going to a new project.

Evaluation involves making judgements on the basis of the information so gathered. There are two dimensions involved in the evaluation style. These are:

- (i) Emphasis on feeling
- (ii) Emphasis on thinking

Feeling type people are sensitive to conflict and try to avoid issues that might result in disagreements. They are emotional and spontaneous and base their decision on how they feel about the situations. They do not like to hurt other people and friendly relationships to them are more important than efficiency or achievement. Feeling type managers find it hard to reprimand their subordinates for inadequate performances and would rather advise, guide and help them.

Thinking type people are more logical, analytical and use reason when solving problems. They are unemotional and are unsympathetic to other people's feelings when making judgements. They are very stubborn about defending their 'principles' and what they believe is right. They are organized and well-structured, and they carefully consider all options before making decisions.

Introvert and Extrovert Personalities

Introvert personalities are generally shy in nature and they prefer to be alone. They do not freely communicate with others and may feel hesitant while communicating with others. The extrovert personalities are however different from the introverts and they are most of the times outspoken and outgoing in their behaviour. They are at times aggressive also and are capable of interacting effectively with people. According to L.W. Morris, the introvert is behaviourally described as 'quiet, introspective, intellectual, well-ordered, emotionally unexpressive and value oriented, prefers small groups of intimate friends and plans well ahead.' On the other hand, an extrovert is best described as, 'sociable, lively, impulsive, seeking novelty and change, carefree and emotionally expressive.'

From an organizational point of view, it can be assumed that most managers would be extroverts since a manager's role involves working with and through other people. On the other hand, an extreme introvert works best when alone in a quiet office without external interruption or influences.

Self-esteem

Self-esteem may be defined as the level of respect that one may have for himself. It may be defined as the measure of one's own confidence level. It is also indicative of the respect that one has for his capabilities and motivation standards. Self-esteem has been placed as a higher level motivational need of an individual as per the Maslow's model of hierarchical needs. Self-esteem can be correlated with traits like independence, creativity and assertiveness. The individuals with high self-esteem levels are generally very friendly in their behaviour. They are also affectionate and relate easily with people. They are good at interpersonal skills and are capable of appreciating other people for their positive qualities and strengths. Low self-esteem people are the people who are generally critical of others. They exhibit a depressing behaviour and most of the times indulge in blaming others for their own failures.

At the level of an organization, the people with high-esteem generally prove to be better performers than the ones with low self-esteem. The poor performance

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faced by the people with low self-esteem further reinforces their behavioural traits. According to Abraham K. Korman.

‘People of high self-perceived competence and self-image should be more likely to achieve on task performance than those who have low self-image concerning the task or job at hand, since such differential task achievement would be consistent with their self-cognitions. This assumes that task performance is seen as valued.’

2.2.2 Theories of Personality

Since personality variables reflect consistent and enduring patterns of behaviour, these patterns can be classified into certain categories, so that the behaviour can be predictable once we identify the pattern of behaviour as belonging to a given category. People in a given category would have a similar pattern of attributes, and personality theories tend to identify such attributes in order to group people into these various categories.

1. Psychoanalytical Theory

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

2. Trait Theory

Trait theory visualizes personality as a reflection of certain traits of the individual. Even though there are many traits that are common to most people, there are many other traits that are unique to a person and are not shared by other individuals. On the basis of the traits theory, people can be described as aggressive, loyal,

pleasant, flexible, humorous, sentimental, impulsive, cool and so on. Traits are the basic elements of personality and can be used to summarize behaviour. For example, if we see people behaving in an extrovert and forceful manner in most situations, we could label their personality as aggressive. Similarly, if a person is observed in different situations as letting someone else take the initiative in deciding what to do, we could describe his personality as ‘submissive’.

3. Self-Concept Theory

This theory is organized around the concept that personality and behaviour are largely determined by the individual himself. We tend to act in ways that are consistent with our own image of who we are. For example, a man known as a flirt would hardly stop at flirting. Carl Rogers is most closely associated with this theory. According to him, behaviour can be best understood by the internal frame of reference that an individual has for his own self. An individual himself is the centre of experience. His self-image is integral to how he views himself and his perception of how others view him.

4. Social Learning Theory

The social learning theory differs from the psychoanalytical theory in two ways. Firstly, personality development has been believed to be a result of the social variables rather than of the biological drives. Secondly, motives can be traced to known and conscious needs and wants rather than unconscious and latent desires. According to the learning theory, personality may be defined as the cumulative total of all the learnings of a person.

‘Reinforcement and punishment’ approach has been used to understand personality according to the social learning theory. For example, one may be frustrated because of the external environment and this can actually bring forward aggression as one of his personality traits. Similarly, an individual’s good behaviour may be rewarded by the society in terms of appreciation and this further helps in reinforcement of the good behaviour. Thus, it can be understood that there is a mutual interaction that exists between external environment and behaviour.

2.3 ATTITUDE: NATURE AND DIMENSIONS

If you ask some one ‘*how are you?*’ his response would depend upon his attitude towards life. If his attitude towards life is positive, he will say he feels very good and thank God for what he has. If his attitude towards life is negative, he will start complaining about everything that is wrong with the world. Similarly, if you ask someone about his job, you will find him to be very opinionated. He might say he likes his job very much or he might complain about the job bitterly. This would be a function of his attitude towards his job. Attitude is a collection of the type of personality, feelings towards the outside world, confidence within self and more.

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2.3.1 Characteristics and Components of Attitude

Attitudes have four basic characteristics—direction, intensity, salience and differentiation. The direction of an attitude is favourable, unfavourable or neutral.

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We may like, dislike or be neutral in our views about a person, a job or a situation. The intensity of the attitude refers to the strength of the effective component. For example, we may dislike a person but the extent of our disliking would determine the intensity of our attitude towards him. Such dislike may range from weak to strong. In general, the more intense the attitude the more persistent will be such behaviour. Salience refers to the perceived importance of the attitude. Some people may not like to work with computers as they may not perceive it to be as important as a student in computer information systems for whom the knowledge of computers is mandatory for a career. Finally, attitudes can be high or low in differentiation depending upon how strong the supporting beliefs and values of the person are.

Components of Attitude

The attitudes, irrespective of what they are, generally consist of three major components. These are:

1. **Evaluative Component.** The evaluative component of attitude is a function of how we feel about something. It refers to our liking or disliking for a particular person, any particular event or any particular situation. Such person, event or situation becomes the focus of our attitude and is known as *attitude object*. For example, you may feel positively or negatively about your boss, about your friend, about the movie you have seen or about anything you happen to see.
2. **Cognitive Component.** Feelings, however, do not simply and automatically develop. Most often they are based on knowledge. For example, if you know that your friend is talking ill about you behind your back, such knowledge would result in negative attitude towards your friend. Similarly, you might believe that your supervisor does not know much about the job. This belief is based upon your knowledge of how the supervisor is handling the job. These beliefs, which may or may not be justified comprises the cognitive component of attitude.
3. **Behavioural Component.** What you believe about something and how you feel about it would determine your behaviour regarding that particular person, event or situation. For example, if you believe that your boss is embezzling company funds, and you feel negatively about it, you are likely to behave with little respect for such a boss. You may either inform his superiors about it or you may want to look for another job. Such predisposition to act in a certain way contributes the behavioural component of the attitude. Such a predisposition may not actually predict your behaviour. For example, if your boss is embezzling company funds, you may take

some steps or you might simply ignore it by convincing yourself that it does not directly concern you. In other words, your intention to behave in a certain way dictates how you actually do.

Based upon these components, attitudes can be defined as relatively stable clusters of feelings, beliefs and behavioural predispositions. By including the words *relatively stable*, we are referring to something that is not permanent nor fleeting. In other words, once attitudes are formed, they tend to persist and can only be changed by strong outside or inside forces. For example, your attitude towards someone may be negative but may change if situations or circumstances change.

2.3.2 Attitude and Behaviour

It is assumed that the relationship between the attitude of a person and his behaviour is causal in nature, meaning that the attitudes that people hold determine their behaviour and what they do. Logic also suggests such a relationship. For example, people watch television programs that they like, that is, their attitude about such programs is positive.

Research conducted in the late sixties concluded that the relationship between attitude and behaviour is, at best, minimal. More recent studies have indicated that there is indeed a measurable relationship if moderating contingency variables are taken into consideration. The moderating variables which have been found to be most powerful include:

- Importance of the attitude
- Specificity of the attitude
- Accessibility of the attitude

Additionally, they have been also linked to existence of any social pressures on the individual and the direct experience of the attitude.

Attitudes that are considered important by the individual tend to be strongly related with behaviour. Similarly, attitudes that are specific are more predictable of behaviour. For example, if someone really likes his job, it can be predicted that he will stay with the company for a longer period of time. Attitudes that are frequently expressed are more reliable and more accessible to the memory and hence greater predictors of behaviour. Social pressures have a strong influence on attitudes and behaviour. For example, a member of a group may not agree with the group on certain issues but may go along, because of the social pressures within the group. Finally, the personal experiences with people and situations affect strongly the attitude and behaviour of a person. Positive experiences result in positive attitudes and negative experiences result in negative attitudes. For example, a student who has taken a course with a professor is in a much better position to evaluate him as compared to someone who has not taken his course.

The relationship between attitude and behaviour is well documented. However, a debate is still going on as to whether the changes in attitudes affect the changes in behaviour or whether the changes in behaviour affect the changes in

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attitudes. In other words, it is not clear as to which one is the cause and which one is the effect.

2.3.3 Attitude Formation

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The question often arises, ‘how are the attitudes and subsequent behaviours formed?’ While attitudes are basically learned over the years, some inherited characteristics do affect such attitudes. For example, physical characteristics such as the height of the person. Tall and slim people are expected to dress well and behave in a sophisticated manner. Similarly, intelligence is primarily an inherited trait and it is related to certain behaviours. Intelligent people are considered to be much more logical and this affects their attitude. Religion and religious beliefs can be considered as inherited, as the religion of the child is determined by the religion of his parents and it determines some aspects of individual behaviour, especially those that concern attitudes based on morals, ethics and code of conduct. Similarly, whether a person is born a male or a female determines some stereotype traits such as aggressiveness and physical stamina. Most of the inherited traits are strengthened by learning and experiencing.

While some attitudes are adopted early in life from our family values or cultural environment, most are developed gradually over time through experiences and observations. Some of the learned characteristics responsible for attitude formation are:

Experiences: Our personal experiences with people and situations develop our attitude towards such persons and situations. Through job experience, people develop attitudes towards working conditions, salaries, supervision, group dynamics and so on. Similarly, interaction with other people would determine your attitude towards them. A positive interaction with a person would result in a positive attitude towards that person. Many people who are afraid of swimming or horse riding or darkness can trace back this fear to some fearful or negative experiences in these areas in the past.

Perceptual biases: Perception is the result of a complex interaction of various senses such as feelings, seeing, hearing and so on and plays an important part in our attitude and behavioural formation. For example, if a manager perceives a subordinate’s ability as limited, he will give him limited responsibility. Similarly, we lose many good friends due to our changed perception about them.

Observation of the other person’s attitude: When we like someone, we try to emulate that person’s attitude. For example, when we are impressed by someone keeping calm under stressful circumstances and we appreciate such calmness, we might try to do the same. Similarly, our attitude towards a spiritual person changes if we observe him committing what we consider a sinful act.

Association: Our association with the group we belong to strongly influences our attitude. Our close association with a group would encourage us to be consistent

with the attitude of the group. Belonging to an elite group or a religious group would determine some aspects of our attitude. Family association determines our attitudes from the very beginning. There is a high correlation between the parents and the children with respect to attitude in many specific areas. Similarly, attitudes of our peers as we grow older also influence our own attitudes. We make friends with people who share our own attitudes, interests and preferences. Many a times, our parents object to our friendship with persons whom they deem undesirable and encourage us to make friends with those who have an outlook similar to our own.

Personality: Personality is a set of traits and characteristics, habit patterns and conditioned responses to certain stimuli that formulate the impression that a person makes upon others and this impression is a function of a person's attitude. This personality may come out as warm and friendly or arrogant and aggressive. From an organizational behaviour point of view, it is believed that people who are open-minded seem to work better than those who are narrow minded. Similarly, people who are extroverts and outgoing are more likely to be successful as managers than those who are introverts.

2.3.4 Attitude Measurement

In social settings, we can judge a person's attitude easily in the sense that we either like or dislike a given attitude. However, at work, it is more difficult to measure the attitude of workers towards work. Such measurement becomes necessary for the management to predict employee behaviour which will affect the quality of work. From the view point of measurement, attitudes may be defined by describing measurement systems that social psychologists use to measure attitudes. The most common and frequently used method of measuring attitude is by simply asking people about their attitudes towards various issues, people and factors. This is accomplished by attitude surveys and questionnaires. Generally, bipolar scales are used to measure the attitudes towards a job in terms of liking it or disliking it. However, different scales have been created in order to measure the degree of such liking or disliking.

One of the most commonly used ranking scale is the one which has five categories ranging from most favourable to most unfavourable. Typical categories and their ranks are:

1. Strongly agree
2. Agree
3. Neutral (Undecided)
4. Disagree
5. Strongly disagree

The standard survey for measuring the attitude of the employees generally presents them with a series of statements and questions which also has a rating scale indicating the extent of agreement or disagreement as stated above. Some

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examples of statements are: 'This management is very fair in dealing with employees' or 'My job makes the best use of my abilities' or 'I know what is expected of me' and so on by totaling the responses on the customized questionnaire, the individual's attitude score can be calculated. The analysis and evaluation of these scores can then be carried out for different teams, work groups, departments or the complete organization.

The results of attitude surveys can sometimes surprise the management. One company management was very happy with the way things were going. Employees were actively involved in divisional decisions and the profitability was very high leading to the assumption that employee morale was very high. The management conducted a small attitude survey in order to confirm their thinking and belief. As a part of the survey, the employees were presented with some of the statements in order to identify their extent of agreement or disagreement. These statements included the following:

- At workplace, your opinions are given importance
- You are encouraged to become a leader if you are willing to do so
- Your personal development has been discussed with you in the period of last six months

The answers were totally unexpected. The results of the survey indicated that disagreement to the first statement was expressed by 43 per cent of the employees, disagreement to the second statement was expressed by 48 per cent of the people and 62 per cent employees expressed their disagreement for the third statement. Based on this survey, the management made some changes to boost the employee morale, especially giving attention to such matters that caused alienation among the employees.

By using such surveys on a regular basis, the management can get a valuable feedback about the perceptions carried out by the employees with respect to their working conditions. The management can also become aware of the different potential problems that may hit the organization. The diagnosis of these problems is possible at an early stage with such surveys. Once the management is notified of these problems, they can take needful steps in order to rectify these problems and timely actions can be taken in order to avoid any negative consequences.

One of the purposes of such surveys is to determine how variables relate to each other and how changes in one variable are associated with changes in another variable. For example, if we want to find a correlation between how fairly people believe they are being paid and various work-related attitudes such as their willingness to help coworkers. The researchers might find that the more workers feel that they are unfairly paid, the less likely they are to help their coworkers. Such studies can alert the management to take steps to create a more collegial work environment.

2.3.5 Attitudes and Productivity

Personality

There are two key work attitudes, which determine the importance of attitude-behaviour relationship with respect to productivity. These are job satisfaction and organizational commitment. Equally important are the complex relationships between job satisfaction and job performance.

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2.4 ORGANIZATIONAL FIT AND COMMITMENT

Organizational commitment refers to an employee's involvement and dedication to the organization and identification with it. Such commitment goes beyond loyalty and requires a serious and sincere effort on the part of employees to accomplish organizational goals. Organizational commitment continues to be influenced by continuous job experiences, with factors that affect job satisfaction and hence organizational commitment such as pay, relationship with superiors and coworkers, working conditions, opportunities for advancement, challenges and so on. With the passage of time, organizational commitment becomes stronger as the workers spend more time in the organizational environment and get to know the other workers at a more personal level. Organizational commitment leads to low absenteeism, high morale and high productivity. Committed individuals tend to be more goal-directed which has a positive impact on productivity.

Organizational fit largely deals with the idea how well the candidate fits into the culture of the organization. It needs to be understood whether the candidate will be able to adjust with the employees of the organization. His personality is such that he will be able to modify and blend himself well with the employees of the organization? Some experts are of the opinion that all this comes with a certain set of skills. However, it is to be noted that skills can be taught but personality is what it is. Job fit is a more traditional approach but for long term retention, organizational fit could help reduce employee turnover, thus saving your company from losing money.

Three component model of commitment

There are three mindsets according to which one can characterize an employee's commitment towards his or her organization. This can be explained through Meyer and Allen's three-component model of commitment which researched certain behavioural patterns and came to the conclusion that an employee's mindset determines their commitment toward their organization.

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The three different mindsets have been discussed as follows:

- **Affective Commitment:** This can be defined as an employee's positive emotional attachment towards the organization. Under effective commitment, an employee is happy to be a part of the organization and has a strong desire to work their in long term. These types of employees also identify the goals of their organization and vis-à-vis their goals. This theory drew largely from Mowday, Porter and Steers' concept of commitment who were further influenced by the early work of Kanter.
- **Continuance Commitment:** In this type of commitment an employee remains to be a part of the organization because he or she has to. Here the fear of losing organizational membership, including various other economic or social costs plays a decisive role in remaining within the organization.
- **Normative Commitment:** In this type of commitment a person chooses to remain in an organization because of feelings of obligation. These feelings of obligation may originate from many factors. For instance, he or she may have joined the organization through a relative or a friend, thus has to remain loyal to the organization. Also, he or she might have undergone some sort of training for which they feel they have a moral obligation to remain in the organization.

There are five rules that organizations should follow in order to enhance organizational commitment:

- **Commit to people-first values:** Put it in writing, hire the right-kind managers, and walk the talk.
- **Clarify and communicate your mission:** Clarify the mission and ideology; make it charismatic; use value-based hiring practices; stress values-based orientation and training; build tradition.
- **Guarantee organizational justice:** Have a comprehensive grievance procedure; provide for extensive two-way communications.
- **Community of practice:** Build value-based homogeneity; share and share alike; emphasize barn raising, cross-utilization, and teamwork; getting people to work together.
- **Support employee development:** Commit to actualizing; provide first-year job challenge; enrich and empower; promote from within; provide developmental activities; provide employee security without guarantees.

Check Your Progress

1. State the four basic characteristics of attitude.
2. What is normative commitment?
3. List any two distinct features of Machiavellian personality.

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2.5 ANSWERS TO CHECK YOUR PROGRESS QUESTIONS

1. Attitudes have four basic characteristics—direction, intensity, salience and differentiation.
2. In this type of commitment a person chooses to remain in an organization because of feelings of obligation.
3. Two distinct features of Machiavellian personality are the following:
 - (i) This type of personality wishes to exercise a control over others simply by manipulating others. They do this primarily with the objective of achieving some personal goals.
 - (ii) The individuals having this type of personality have high self-confidence and high self-esteem.

2.6 SUMMARY

- The concept of personality is often discussed in our daily routine and while coming across different people, one may associate different individuals with different personalities. For example, one particular individual may be having a pleasing personality while another one may be having an arrogant personality.
- There are two broad categories of factors that influence the formation and development of personality. These are heredity factors and environmental factors.
- Personality is a set of relatively stable characteristics or dimensions of people that account for consistency in their behaviour in various situations.
- Introvert personalities are generally shy in nature and they prefer to be alone. They do not freely communicate with others and may feel hesitant while communicating with others. The extrovert personalities are however different from the introverts and they are most of the times outspoken and outgoing in their behaviour.
- Since personality variables reflect consistent and enduring patterns of behaviour, these patterns can be classified into certain categories, so that

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the behaviour can be predictable once we identify the pattern of behaviour as belonging to a given category.

- Trait theory visualizes personality as a reflection of certain traits of the individual. Even though there are many traits that are common to most people, there are many other traits that are unique to a person and are not shared by other individuals.
- Attitudes have four basic characteristics—direction, intensity, salience and differentiation. The direction of an attitude is favourable, unfavourable or neutral. We may like, dislike or be neutral in our views about a person, a job or a situation.
- It is assumed that the relationship between the attitude of a person and his behavior is causal in nature, meaning that the attitudes that people hold determine their behaviour and what they do. Logic also suggests such a relationship.
- The question often arises, ‘how are the attitudes and subsequent behaviours formed?’ While attitudes are basically learned over the years, some inherited characteristics do affect such attitudes.
- In social settings, we can judge a person’s attitude easily in the sense that we either like or dislike a given attitude. However, at work, it is more difficult to measure the attitude of workers towards work.
- Organizational commitment refers to an employee’s involvement and dedication to the organization and identification with it. Such commitment goes beyond loyalty and requires a serious and sincere effort on the part of employees to accomplish organizational goals.

2.7 KEY WORDS

- **Authoritarianism:** When an individual blindly accepts the authority, it is referred as authoritarianism.
- **Self-esteem:** It may be defined as the level of respect that one may have for himself.
- **Organizational commitment:** It refers to an employee’s involvement and dedication to the organization and identification with it.

2.8 SELF ASSESSMENT QUESTIONS AND EXERCISES

Short Answer Questions

1. What are the determinants of personality?

2. What is the difference between introvert personality and extrovert personality?
3. How is attitude measured?

Personality

Long Answer Questions

1. How is personality measured? Analyse.
2. Discuss the various theories of personality.
3. Comment on the inter-relationship between attitude and behaviour.
4. Analyse the significance of organizational commitment.

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2.9 FURTHER READINGS

- Robbins, Stephen P. 2010. *Organizational Behaviour*. New Delhi: Prentice Hall.
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UNIT 3 OVERVIEW OF EMOTIONAL INTELLIGENCE

Structure

- 3.0 Introduction
- 3.1 Objectives
- 3.2 Emotional Intelligence
 - 3.2.1 Implications of Emotional Intelligence on Managers
 - 3.2.2 Use of EI as a Managerial Tool
- 3.3 Attitude: Meaning, Relationship with Behaviour, Types, Consistency
 - 3.3.1 Attitude: Relationship with Behaviour
 - 3.3.2 Chief Characteristics of Attention
 - 3.3.3 Types of Attention
 - 3.3.4 Relationship between Attitude, Behaviour and Consistency
- 3.4 Answers to Check Your Progress Questions
- 3.5 Summary
- 3.6 Key Words
- 3.7 Self Assessment Questions and Exercises
- 3.8 Further Readings

3.0 INTRODUCTION

In the previous unit, you studied about the determinants, structure, behaviour and assessment of personality. The unit also introduced you to the nature and dimensions of attitude and the concepts of organizational fit and organizational commitment. This unit will introduce you to the idea of emotional intelligence. Emotional Intelligence (EI) is a debatable topic among business leaders and HR professionals. EI has been discussed extensively in the last decade. It is largely used to denote terms such as soft skills, people skills and a general ability to cope with the challenges of life.

3.1 OBJECTIVES

After going through this unit, you will be able to:

- Define emotional intelligence
- Analyse the implications of emotional intelligence on managers
- Assess emotional intelligence performance in the organization
- Discuss the relationship between attitude and behaviour

3.2 EMOTIONAL INTELLIGENCE

Recently, a growing group of psychologists has come to the conclusion that old concepts of I.Q. revolved around a narrow band of linguistic and mathematical skills and is most directly a predictor of success in the classroom but less so as life's paths diverged from academe. Psychologists like Sternberg and Salovey have taken a wider view of intelligence, trying to reinvent it in terms of what it takes to lead life successfully. Salovey subsumes Gardner's personal intelligences in his basic definition of emotional intelligence—"Emotional intelligence is the process of learning to understand our own emotions, learning to understand the emotions of others, gaining proficiency in positive emotional responses in oneself, and recognising and accepting the emotional responses of others." According to Goleman, emotional intelligence includes self-control, zeal, persistence, and the ability to motivate oneself. Emotional intelligence, once developed, can create the avenue for a productive, rewarding and fulfilling life. Peter Salovey has identified following the characteristics of emotional intelligence:

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(1) Self-Awareness

Self-awareness is a key stone of emotional intelligence. It means recognising a feeling as it happens. The ability to monitor one's feelings from movement to movement is crucial to psychological insight and self-understanding whereas inability to notice our true feelings leaves us at their mercy. Self-awareness has three important aspects:

- (a) **Physical self-awareness** which includes all that is tangible such as one's looks, clothing, hairstyle, jewellery and what kind of home he/she lives in.
- (b) **Academic self-awareness** relates to understanding how well one does with regard to academic achievement and concept understanding. When a student has very little academic success, his academic self-concept suffers. However, this low academic achiever is fully aware of his weaknesses and is functioning in a cognitively conscious state; he is more open to strategies to increase academic performance.
- (c) **Social self-awareness** indicates how one relates to other people whether they are peers, co-workers, family members or strangers. Honesty with oneself and a cognizant effort to perceive feelings in others is the key to self-awareness.

People having greater certainty about their feelings are better masters of their lives. They are autonomous and are in good psychological health. According to Goleman (1997), we may be born with a predisposition toward optimism or pessimism, but our negative or positive outlook can be learned.

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(2) Managing Emotions

It is concerned with handling feelings and is based on self-awareness. A life without emotions would be a dull wasteland, cut off and isolated from the richness of life itself. What is wanted is appropriate emotion, feeling proportionate to circumstance. People who have poor ability to manage their emotions are in constant distress, whereas those who excel in it can bounce back for more quickly from life's setbacks and upsets.

(3) Motivating Oneself

It means marshalling emotions for the attainment of a goal is essential for paying attention, for self-motivation and mastery, and for creativity. Emotional self-control means delaying gratification and stifling impulsiveness—underlies accomplishment of all sorts. Such people are highly productive and effective in whatever they undertake.

(4) Recognising Emotions in Others

Empathy is a fundamental 'people skill'. Empathy builds on self-awareness. The more open we are to our own emotions, the more skilled we will be in reaching feelings. The failure to register another's feelings is a major deficiency in emotional intelligence, and a tragic failing in what it means to be human. People who are empathetic are more attuned to the subtle social signals that indicate what others feel, need or want. They are more successful in caring professions, teaching, sales and management.

(5) Handling Relationships

The art of relationships is, in large part, skill in managing emotions in others. These are the abilities that strengthen popularity, leadership and interpersonal effectiveness. People who excel in these skills do well in anything that relies on interacting smoothly with others; they are social stars.

From the perspective of emotional intelligence, having hope means that one will not be given into overwhelming anxiety, a defeatist attitude or depression in the face of difficult challenges or setbacks. Optimism is an attitude that prevents people against falling into apathy, hopelessness, or depression in the face of rough going. According to Seligman, optimism means how people explain to themselves their successes and failures. Optimistic people see failure as due to something that can be changed so that they can succeed next time, while pessimists take the blame for failure, ascribing it to some lasting characteristic they are helpless to change.

People who have high emotional intelligence are socially poised, outgoing and cheerful, not prone to fearfulness or worried ruminations. They have a notable capacity for commitment to people or causes for taking responsibility and for having an ethical outlook. They are sympathetic and caring in their relationships.

Their emotional life is rich. They are comfortable with themselves, others and the social universe they live in.

3.2.1 Implications of Emotional Intelligence on Managers

Emotional Intelligence (EQ) is primarily based upon intra-personal intelligence and involves a person's emotional and social skills and consists of the following five dimensions. Scholars are beginning to view these dimensions of emotional intelligence in a hierarchy, where self-awareness is the lowest level and social skill is the highest and most complex level. These dimensions are:

Self-awareness The person is in touch with his own feelings and has the desire and the capacity to understand other people's feelings.

Self-regulation This is the ability to control or redirect emotional extremes and other impulsive behaviours. For example, if you are angry at a client or a colleague, you control your emotions, keep calm and handle the situation professionally and later talk out the emotions with a co-worker or a friend. Self-regulation includes the ability to suspend judgement in order to think through the consequences of behaviour rather than acting on impulse.

Self-motivation The person is driven for achievement irrespective of the rewards associated with such achievement. The achievement itself is a reward for them. Even when they do not achieve their goals, they remain optimistic and have a positive attitude.

Empathy It is the ability to understand and be sensitive to the feelings, thoughts and situations of others.

Social skill This is the ability to manage emotions of other people. Social skill includes the ability to build networks of relationships and it requires other elements of emotional intelligence such as empathy and self-regulation.

3.2.2 Use of EI as a Managerial Tool

According to Deerlove, companies are putting more emphasis on the emotional dimension in evaluating leadership potential and focus on the importance of understanding relationships. It is said that leaders with high emotional intelligence tend to make personal connections with ease and are good at diffusing conflicting and explosive situations. Superior performance as a leader is a function of both the IQ and the EQ.

Many of the leaders have failed not because of low IQ but because of low EQ, even when they had high IQ. Now the US Airforce and others are realizing that EQ is just as important as IQ in performing most responsible jobs. Most jobs do involve social interaction so employees do need some aspects of emotional intelligence to work effectively in social settings.

Daniel Goleman, is credited with his focus on importance of emotional intelligence as compared to intellect or technical skills. He believed that at senior

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levels, emotional intelligence rather than rational intelligence distinguishes the true leader. He concluded that human competencies such as self-awareness, self-discipline, persistence and empathy are of greater consequences than intellect as measured by IQ. In a business that is occupied with analysis of information, quantitative models, simulation and other cold analytical tools, emotional climate is more important for the success of the organization than previously recognised. Companies are re-evaluating the leadership characteristics they require for the future. Some companies talk about “inward journeys” and “know thyself” concepts. Emotional intelligence is a part of such re-evaluation.

Improving Emotional Intelligence and EI performance in an Organization

Emotional intelligence, in general, is associated with some inborn personality traits, such as extroversion, conscientiousness, emotional stability and openness to experience. It opens the debate whether EQ is inherited or whether it can be learned, just as there is active debate about leadership characteristics in the same sense. However, EQ can indeed be learnt to some extent. Just as many training organizations claim that IQ can be improved with proper care and mentoring, some companies have introduced seminars and training centers specifically for the purpose of improving EQ of executives. Unlike other professions and skills that can be learnt in the classroom setting or role playing, people do not develop emotional intelligence simply by learning about its dimensions. It requires personal coaching, patience, feedback and positive interaction. Emotional intelligence also increases with age and maturity.

Overall, emotional intelligence offers considerable potential and with the world in turmoil about diversity and differences in religion, race, gender and national origin, the importance of emotional intelligence is further exemplified.

As we have learnt before, EI is becoming increasingly important as it is considered to showcase better leadership skills, career success, team skills, and personal relations of the employee, thereby affecting their overall work at the organization.

3.3 ATTITUDE: MEANING, RELATIONSHIP WITH BEHAVIOUR, TYPES, CONSISTENCY

In the previous unit, you have studied about the meanings, nature and dimensions of attitude. In this unit, you will study about the relationship of attitude with behaviour

3.3.1 Attitude: Relationship with Behaviour

It is the primary precondition for all types of our mental activity—cognitive (knowing), affective (feeling) and conative (acting). Attention is the heart of the conscious process. It is the concentration of consciousness of one object or idea

rather than the other. Attention may be compared to the action of a photographic camera. Just as the camera is focused on a particular object or an individual or group leaving out others, in the same way attention is concentrated on a particular object. Other objects are left in the background either unconsciously or subconsciously.

Every single moment of a child is attracted by a large number of stimuli of the environment. His mind is not able to concentrate on all these at the same time. The objects which occupy the centre of consciousness are within the field of attention. Other objects which do not receive his attention are included in the field of inattention. It is on this account that attention has also been described as a selective process of the mind.

While we are conscious of every object we attend to, we do not attend to every object that we are conscious of. Consciousness, therefore, is a wider field and includes attention. We attend to a part in the field of consciousness, the rest is not attended to. While we are looking at a picture in the classroom, we are also conscious of a large number of other objects in the classroom. But the picture is the 'focus' of our consciousness. As the picture is the 'spotlight' of attention, other objects in the room—chairs, desks, etc. remain at the margin of consciousness. Thus, there are two fields: one of 'attention' and the other of 'inattention'.

Types of Attitude

Behaviour is an action or reaction that occurs in response to an event or internal stimuli such as thought. The relationship between attitude and behaviour is complex and it further gets complicated with the influence of social factors on the aspects. Behaviours largely, but not always, convey established beliefs and attitudes.

Attention is an attitude of mind. It denotes 'preparedness' or 'readiness' to do something. This was reflected in Woodworth's citing of military command 'Attention' and the athletic call 'Ready'.

According to F H Bradley, attention is a complex of sensation and ideas.

While Wunck laid stress on the cognitive aspect of attention, Maudsley, Ribot and Munsterberg emphasized the conative aspect of attention. Titchener stressed on the affective aspect of attention.

On account of the complex character of attention, psychologists defined attention in a number of ways.

1. **According to EB Titchener** (1867–1927), "The problem of attention centres in the fact of sensible clearness."
2. **McDougall** (1920) observed, "Attention is merely conation or striving, considered from the point of view of its effect on cognitive process."
3. **B Dumville** (1938) was of the view, "Attention is the concentration of consciousness upon one object rather than upon another."

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4. **J B Morgan and A R Gilliland** (1942) defined, “Attention is being keenly alive to some specific factor in our environment. It is a preparatory adjustment for response.”

5. According to **I W Stout** (1953): “Attention is conation determining cognition. The stronger the conation, the more intense is the attention.”

6. **J S Ross** (1954) said, “Attention is a process of getting an object of thought clearly before the mind.”

3.3.2 Chief Characteristics of Attention

From the definitions and meaning as given above, chief characteristics of attention may be noted as:

1. Attention is a form of activity of the mind.
2. Attention is cognitive, affective and conative.
3. Attention is selective.
4. Attention has a narrow range.
5. Attention is increase of clearness of the stimulus.
6. Attention is a state of consciousness.
7. Attention is mobile and moves from one object or idea to another.
8. Attention is attracted by new things.
9. Attention makes clear and vivid the objects which we attend to.
10. Attention arouses interest in an individual to focus concentration on a particular object to the exclusion of others.
11. Attention can be developed and promoted.
12. Attention affects motor adjustments such as postural adjustment (how to sit, stand, etc.), muscular adjustment and adjustment in the central nervous system.

3.3.3 Types of Attention

Attention has been classified in a number of ways. The two ways in which attention is usually classified are:

- **Involuntary Attention or Non-Volitional:** This kind of attention is spontaneous and does not involve any effort on the part of the individual. The object automatically calls for our attention. Some examples of involuntary attention are: loud music in a neighbour’s house when one is reading a book; sudden noise such as a pistol shot, an accident, etc.
- **Voluntary Attention or Volitional:** In voluntary attention, there is a conscious effort by an individual. .When a child tries to understand a difficult passage with mental strain, his attention is voluntary. In the examination hall, a student concentrates on the answer to a question and

keeps away his mind from the distracting elements like the movements of the supervisors, etc.

- **Non-Volitional Enforced Attention:** This type of attention lasts as long as there is stimulus. It is sustained because it appeals to an individual's instinct or instincts. This type of attention is very common in small children. A child's curiosity is aroused to attract his attention.
- **Spontaneous Non-Volitional Attention:** This type of attention develops on account of real interest in the object itself. The teacher has just to develop desirable sentiments for things in children. Once this is done, children will automatically attend to things around which sentiments have been formed.
- **Implicit Volitional Attention:** This type of attention is obtained by introducing motives such as rewards or punishments.
- **Explicit Volitional Attention:** Repeated efforts are made to obtain this type of attention. For example, while preparing for an examination, a student makes repeated efforts to read his notes or books.
- **Habitual Attention:** During the course of our experience with several things, we are conditioned to attend to certain stimuli. Here external conditions are not involved. A mother always hears the cries of the baby whereas others may ignore it. Usually, we are habituated to see beautiful objects. A naturalist is habituated to look for plants.

3.3.4 Relationship between Attitude, Behaviour and Consistency

We have learned the meaning of attitude earlier, let's introduce the concept of behaviour here. Quite simply, it means how an individual behaves in a certain environment. At a work place, it is not important that the attitude and behaviour will also be complementary. But a study of the relationship between the two is important for efficient organizational operations. In an organization, attitude and behaviour are related through two factors: job satisfaction and organizational commitment. While some factors like performance, absenteeism, and work turnover are considered to show the positive correlation between behaviour and attitude, there are other factors which makes it hard to predict the relationship between attitude and behaviour of an employee. These include factors like the nature of attitude, difference between intention and action and the general environment which in organizational climate may refer to availability of alternate jobs, financial situation of the employee, market conditions, etc. The types of behaviour and its relationship between attitude are affected by situational factors. These situations might be known or unknown.

Attitude behaviour consistency merely reflects how consistent the attitude of the person is in relation to their behaviour. A general idea about the subject helps managers in planning and assigning work in the organization, interviewing candidates, conducting surveys, delegating important jobs and leadership management.

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Check Your Progress

1. Define emotional intelligence.
2. List any two characteristics of attention.

**3.4 ANSWERS TO CHECK YOUR PROGRESS
QUESTIONS**

1. According to Goleman, emotional intelligence includes self-control, zeal, persistence, and the ability to motivate oneself. Emotional intelligence, once developed, can create the avenue for a productive, rewarding and fulfilling life.
2. Two characteristics of attention are the following:
 - (i) Attention is a form of activity of the mind.
 - (ii) Attention is cognitive, affective and conative.

3.5 SUMMARY

- Psychologist Salovey defines Emotional intelligence as the process of learning to understand our own emotions, learning to understand the emotions of others, gaining proficiency in positive emotional responses in oneself, and recognizing and accepting the emotional responses of others.
- Self-awareness is a key stone of emotional intelligence. It means recognizing a feeling as it happens. The ability to monitor one's feelings from movement to movement is crucial to psychological insight and self-understanding whereas inability to notice our true feelings leaves us at their mercy.
- Emotional Intelligence (EQ) is primarily based upon intra-personal intelligence and involves a person's emotional and social skills and consists of the following five dimensions.
- Emotional intelligence, in general, is associated with some inborn personality traits, such as extroversion, conscientiousness, emotional stability and openness to experience.
- Attitude is the primary precondition for all types of our mental activity—cognitive (knowing), affective (feeling) and conative (acting). Attention is the heart of the conscious process.
- Attention is an attitude of mind. It denotes 'preparedness' or 'readiness' to do something. This was reflected in Woodworth's citing of military command 'Attention' and the athletic call 'Ready'.

3.6 KEY WORDS

- **Implicit Volitional Attention:** This type of attention is obtained by introducing motives such as rewards or punishments.
- **Involuntary attention:** This kind of attention is spontaneous and does not involve any effort on the part of the individual.

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3.7 SELF ASSESSMENT QUESTIONS AND EXERCISES

Short Answer Questions

1. What are the implications of emotional intelligence on managers?
2. How does emotional intelligence contribute in performing better in an organization?
3. Write a short note on emotional intelligence as a managerial tool.

Long Answer Questions

1. 'Self-awareness is the key stone of emotional intelligence.' Explain the statement.
2. Discuss the types of attention.
3. Do you think that emotional intelligence is relevant in the present global scenario? Give reasons for your answer.

3.8 FURTHER READINGS

- Robbins, Stephen P. 2010. *Organizational Behaviour*. New Delhi: Prentice Hall.
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UNIT 4 INDIVIDUAL BEHAVIOUR AND THE PROCESS OF ORGANIZATION

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Structure

- 4.0 Introduction
- 4.1 Objectives
- 4.2 Individual Behaviour: An Overview
 - 4.2.1 Causes of Human Behaviour
 - 4.2.2 Categories of Human Behaviour
- 4.3 Motivation and Ability
 - 4.3.1 Job Satisfaction
 - 4.3.2 Learning
 - 4.3.3 Emotions
 - 4.3.4 Stress
- 4.4 Decision-Making and Problem-Solving
 - 4.4.1 Factors Affecting Decision-Making
- 4.5 Interpersonal Communication and Relevance to Organizational Behaviour
- 4.6 Answers to Check Your Progress Questions
- 4.7 Summary
- 4.8 Key Words
- 4.9 Self Assessment Questions and Exercises
- 4.10 Further Readings

4.0 INTRODUCTION

Human behaviour, a complex phenomenon as it is, is most difficult to define in absolute terms. It is primarily a combination of responses to external and internal stimuli. These responses would reflect psychological structure of the person and may be a result of a combination of biological and psychological processes. It is a system by which a human being senses external events and influences, interprets them, responds to them in an appropriate manner and learns from the result of these responses.

Psychologist Kurt Levin has conducted considerable research into the human behaviour and its causes. He believes that people are influenced by a number of diversified factors, both genetic and environmental, and the influence of these factors determines the pattern of behaviour. He called his conception of these influences 'the field theory' and suggested this formula:

$$B = F (P, E)$$

in which behaviour (B) is a function (F) of a person (P) and environment (E) around him. It is important to recognize the effect of the 'person' and that of the environment individually as well as their interaction and dependence upon each

other in order to understand the pattern of behaviour. These two factors are highly linked with each other. Any one of these two factors individually cannot fully explain the behaviour characteristics. An individual's behaviour may change due to a change in the same environment or exposure to a different environment. For example, a person who loses a well paying job may behave differently when he is unemployed. Similarly, just the environment in itself cannot be the cause of or explain a given behaviour. Different people behave differently in the same or similar environment. However, when the situation demands, the environment may change the behaviour of an individual. For example, certain training programmes or rehabilitation programmes have changed the human attitudes and behaviour. Sometimes a sudden and unexpected turn of events or a shock can also induce significant and permanent changes in the human behaviour. For example, there are a number of stories in the Indian religious scriptures where a known killer or a dacoit came to a temple and his whole personality and outlook changed. Thus, the environment can change the individual in his or her behaviour. Similarly, the individuals can also change the environment by setting goals and standards and by determination and motivation. In this unit, you will study about the various aspects associated with individual behaviour namely, learning, emotions, attitudes, perceptions, motivation, ability, job satisfaction, personality and stress management. You will also be introduced to inter-personal communication and its relevance to OB.

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4.1 OBJECTIVES

After going through this unit, you will be able to:

- Prepare an overview of individual behaviour
- Explain the process of decision-making and problem-solving
- Define interpersonal communication
- Discuss concepts like learning, emotions, attitudes, etc.

4.2 INDIVIDUAL BEHAVIOUR: AN OVERVIEW

It has been established that certain characteristics of behaviour are genetic in nature, and a human being inherits a certain degree of similarity to other individuals, as well as uniqueness in the form of genes and chromosomes. Some of the characteristics such as physical traits including physical height, slimness, dexterity, intellectual capacity and the ability to learn and logicalize are all inherited and have a wide impact on behavioural patterns.

According to R.S. Dwivedi, the structures of the nervous system play a significant part in the emerging pattern of behaviour thus bringing about the integration of human behaviour and personality. Some psychologists believe that some aspects of human behaviour can be explained in terms of neural activity and neuro-physiological processes. Dwivedi further explains:

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‘Integration of human behaviour takes place because of the constant functioning of receptors, effectors and connectors. Here the nervous system is primarily involved in the connecting process. The numerous receptor cells attached to the individual’s sense organs tend to convert physical and chemical events from the environment into neural events while the several effector cells attached to the muscles and glands convert these neural events into responses.’

These responses result in behavioural activity ranging from simple reflex action to the complex creative activity.

Behaviour is sometimes easily explained by laymen as a reflection of the state of the nervous system. This causal relationship is referred to continuously during our daily routine impressions and conversations. For example, when somebody loses patience quickly, we tend to brand him as ‘stupid’, and the behaviour is explained by a lack of intelligence where intelligence reflects a state of neural system. Similarly, a person whose behaviour is depressive is considered to be having a ‘nervous breakdown’. In other words, it is implied that a man exhibits a certain type of behaviour because he was ‘born that way’, again pointing to genetic structure.

4.2.1 Causes of Human Behaviour

As discussed earlier, both scientific thinkers as well as behaviourists have always been interested in finding out the causes for a given human behaviour. Science has always been involved in explaining a phenomenon by looking at its causes and then establishing a relationship between a cause and its effect. For example, the cause of formation of water is mixing of two parts of hydrogen and one part of oxygen in a given manner. Accordingly, the effect of water can be explained by its cause. This relationship is scientific and everytime, the same cause will produce the same effect. Similarly, the behaviour scientists want to find out the causes for why people behave in a certain way. If these causes can be established, then certain types of behaviour can be predicted, manipulated and controlled.

The assumption that the study of any subject begins in the realm of superstition has some validity. For example, the scientific field of astronomy started as astrology. Similarly, the study and prediction of behaviour has its roots in superstitious beliefs in supernatural phenomenon. Even though such beliefs are not supported by science, they are still socially prevalent. Any conspicuous event that coincides with some part of general human behaviour is likely to be seized upon as a cause. Many such beliefs have been extensively discussed by B.F. Skinner. He cites as an example, the belief of many people that the position of various planets at the exact time of the birth of the individual determines many aspects of his behaviour, such as whether he is temperamental, impulsive, trustworthy, and so on. Millions of people who read the daily horoscope would testify to this belief, even though these horoscopes describe only general characteristics and general predictions that could be interpreted to be applicable to any person, irrespective of when he was born. The ‘science’ of astrology is taken very seriously in most underdeveloped

countries and even in the technologically and scientifically advanced countries, astrologers are seriously consulted. In India, for example, many business meetings are arranged on the advice of astrologers. Prime Minister of India, Indira Gandhi and Ronald Reagan, President of America have been known to have arranged important political conferences in consultation with astrologers. The position of planets at birth, as a cause, is not considered as predicting specific actions or unique aspects of behaviour of an individual, but only general characteristics such as whether the person is impulsive or thoughtful, even though some of these general characteristics may be explained as being responsible for some specific action of the individual. For example, a quick but wrong decision can be attributed to 'impulsiveness', that is identified by astrology. It is strange that there is a lack of serious questioning to its validity, even though the process proposes that all mankind can be divided into 12 monthly categories as far as their behaviour pattern is concerned.

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Then there are numerologists who propose another cause of behaviour. This has to do with a person's name. They believe and propose that the choice of a person's name is not a coincidence but a predetermined and predestined phenomenon that is associated with the person's behaviour. Based upon this philosophy, certain patterns of behaviour are identified and predicted by the number and types of letters in a person's name. Each letter of the alphabet has been assigned a number. Thus, the letters of the name are replaced by their respective numbers. These numbers are then manipulated and an end result of a single number is obtained. This last number can be used to find some behavioural characteristics associated with this number, as explained by numerologists.

Another common practice is to explain behaviour in terms of certain physical characteristics of a person, the most important of these characteristics being the lines on the palm. Palmistry or palm reading is often explained as a science and has been made popular by Cherio and Saint Germain, who practised the 'art' of palmistry and wrote extensively about it. The four major lines on the palm of the hand are the Life line, the Heart line, the Brain line or the line of education and intelligence and the Fate line. These major lines are supported by scores of smaller lines, crosses, stars, islands and branches. There are special lines about number of marriages and children and all these lines are supposed to predict not only how long the person will live or whether he will be rich or poor but also such behavioural traits such as intelligence, patience, restlessness, trust worthiness, and so on.

Another common practice is to explain behaviour in terms of the physical structure of the individual. It is sometimes said that the eyes betray the character of the person. Similarly, certain ideas can be formed about behaviour on the basis of whether the person is fat or tall or slim. Whether there is a correlation between body structure and behaviour has not been scientifically demonstrated. Even if there is such a correlation between the two, it is not always clear which is the independent variable and which is the dependent variable. For example, we cannot be sure whether fat people are jolly because, being at a disadvantage, they develop

jolly nature as a competitive edge or whether jolly people are fat because they are free of emotional disturbances and enjoy their life by eating, drinking and not caring too much about their physique.

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The theory of 'born' leaders suggests that some people behave in a certain manner, because they were born that way. The belief is based upon the assumption that certain behavioural characteristics are genetic in nature and are inherited. If we know that a person has certain inherited qualities and limitations, then we may be able to use our control techniques more intelligently.

4.2.2 Categories of Human Behaviour

There are two categories in which the causes of human behaviour can be classified. These are: (1) inherited characteristics and (2) learned characteristics. Let us explain each of these two in more detail.

Inherited characteristics

Some of the inherited characteristics that may or may not be changed by external forces and may or may not be important determinants of performance are as follows:

Physical characteristics: Some of these characteristics relate to physical height, slim body, vision, dexterity and stamina and have some bearing on performance. Manual dexterity, for example, results in quality performance in such jobs that require artistic manoeuvring. Similarly, tall and slim people are expected to dress well and behave in a sophisticated manner, and fat people are assumed to have a jovial nature.

Intelligence: Intelligence is primarily an inherited trait, even though children of some very intelligent parents have turned out to be less intelligent and vice versa. It is also known that intelligence can be enhanced by proper environment or by proper motivation. Einstein was not considered very intelligent during his earlier years. In any case, intelligence as a trait is related to certain behaviour. Intelligent people are easy to convince if the point is right and they can be expected to be much more stable and predictable.

Sex: Being a male or a female is genetic in nature and can be considered as an inherited characteristic. However, it is highly debatable whether being a male or a female in itself is indicative of any behavioural patterns. Man is expected to be tough while a woman is expected to be gentle. Men 'never cry' and women are 'highly emotional', are some of the stereotyped assumptions that have no basis in genetic influences. These behaviour are developed, if at all, due to differences in treatment that boys and girls receive in the family environment.

Even though some work roles are assumed to be the exclusive domain of women, such as nurses or airline stewardesses, these roles are being modified to accommodate men in these positions. As far as the administration of the management

process is concerned, women in general do not differ from men in their operative behaviour.

Age: Since age is determined by the date of birth, it is a kind of inherited characteristic. Age may affect the behaviour in physiological as well as psychological ways. Psychologically, young people are expected to be more energetic, innovative, risk taking and adventurous, while old people are supposed to be conservative and set in their ways. Physiologically, with age, older people experience waning of some of their faculties such as memory, stamina, coordination, and so on, and hence the related behaviours change as well. According to Lehman, the peak of creative ability is among people between the ages of 30 and 40.

Religion: Religion and cultures based on it play an important role in determining some aspects of individual behaviour, specially those that concern morals, ethics and a code of conduct. Highly religious people have high moral standards and usually do not tell lies or talk ill of others. They are highly contented and thus strive for achievement and self-fulfilment. Additionally, religion and culture also determine attitudes towards work and towards financial incentives.

Learned characteristics

Some of the behavioural characteristics that account for enormous diversity in human behaviour are a product of our exposure to various situations and stimuli, both within the family and the outside environment. These characteristics are acquired by learning where learning is defined as a 'relatively permanent change in behaviour resulting from interactions with the environment.'

These characteristics involve an individual's attitudes, values and perceptions about the environment around him. They are the result of parental values and expectations and the values and norms of our culture and sub-cultures. Children learn the need and values of being honest and truthful and the value of love and affection from the family environment. If the parents are always fighting, if the father is always drunk or if the mother resents the child, it is most likely that the child will grow up lacking the warmth of love and respect. Similarly, a loving family instills certain positive values about life in the minds of the children.

The physical environment itself has a profound effect on the individual behaviour. Persons who have come through the rigorous routine of the armed forces or students who have been active sportsmen may have learned the spirit of competition as well as cooperation. Similarly, students who have studied in religious schools and convents may have learned different values about truth and human decency.

Since inherited behavioural characteristics are more difficult to change or modify, it is the learned characteristics that the managers want to study, predict and control. Hence these will be discussed in more detail in the following units, but a brief familiarity with this factor is necessary here. Some of these learned characteristics are as follows:

NOTES

NOTES

Perception: Perception is the process by which information enters our minds and is interpreted in order to give some sensible meaning to the world around us. It is the result of a complex interaction of various senses such as feeling, seeing, hearing, etc. Sayings and proverbs like ‘things are not what they seem’ or ‘all that glitters is not gold’, reflect a sense of perception. ‘One man’s meat is another man’s poison’, is in a psychological sense an indication that different people see and sense the same thing in different ways.

Perception plays an important part in human as well as organizational behaviour. For example, if a manager perceives a subordinate’s ability as limited, he will give him limited responsibility, even if the subordinate, in fact, is an able person. Similarly, we lose a lot of good friends due to our changed perceptions about them.

Attitude: Attitude may be defined as the organization of a perception within a frame of reference. It can also be described as the manner in which an individual behaves, reacts, thinks or perceives a particular object in a given situation. It is a tendency to act in a certain way, either favourably or unfavourably concerning objects, people or events. For example, if I say that ‘I like my job,’ I am expressing my attitude towards my work.

Attitude has three elements in it that lead to measurable outcomes. These are feelings, thoughts and behaviour. Feelings and thoughts can be measured by simply asking individuals about their feelings and opinions. Behaviour can be measured either by actual overt actions or simply by asking the person how he would act in a certain situation. By measuring and integrating these three elements, a person’s attitude towards a given situation can be established.

In general, a person may have a positive attitude that is good outlook of life, or negative attitude that means continuous complaining about problems in life. Organizationally speaking, an employee’s negative attitude about work may be reflected by substandard work performance, excessive absenteeism, excessive complaining about work environment or disobedience to rules of authority. These attitudes can be changed either by simple persuasion or by training and coaching. Kelman has identified three processes that act as instruments of change. The first is *compliance*, that is application of subtle pressure either through reward or punishment in order to change the behaviour, and expecting this change to be lasting.

The second process is that of *identification* with the person who is affecting the change and is acting as a change agent. This change agent could be a close friend who wants you to change and you respect and love him enough to do so to please him. In marriage, for example, both the husband and the wife make a lot of sacrifices and change their behaviour to please each other. The third process is the process of *internalization*, that is more permanent in nature. This means that the new attitude is integrated with the other attitudes and becomes a part of the person’s total personality. This change may occur through internal soul searching and the desire to change that comes from within.

Personality: When we describe people as quiet and passive or loud and aggressive or ambitious, we are portraying an aspect of their personality. A set of traits, habits and characteristics comprise the personality of an individual. This may also include conditioned responses that an individual may express to a set of given stimuli which in a way also contribute towards creating an impression of an individual upon others. This personality may come out as warm and friendly, or arrogant and aggressive. Many psychologists contend that personality traits develop in the early childhood years and very few personality changes can be made after the childhood years. There are different types of personality traits. Some of them can be biological in nature while others may be learned over a period of time. Examples of biological traits include physical build and intelligence. The traits which are learned over a period of time are patience, open mindedness, outspoken nature, introvertness or extrovertness in behaviour, etc.

Some of these personality traits are highly influential in certain organizational operations from organizational behaviour point of view. For example, Tedeschi and Lindsold propose that people who are open minded seem to work better in bargaining agreements than people who are narrow minded. Similarly, people who are extroverts and outgoing are more likely to be successful as managers than those who are introverts.

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4.3 MOTIVATION AND ABILITY

The subject of motivation is one of the most important and widely studied topics in the field of management and organizational behaviour. One of the most frequently used terms among managers is 'motivation'. The level of performance is often tied with the level of motivation. Accordingly, work effective managers are concerned about motivation because the work motives of employees affect their productivity and quality of their work.

People differ by nature, not only in their ability to perform a specific task but also in their 'will' to do so. This 'will' to do is known as motivation. By understanding a person's ability and his motivation, a manager can forecast his performance level. Motivation and ability interact in a multiplicative manner to yield performance, so that:

$$\text{Performance} = \text{Ability} \times \text{Motivation}$$

This means that if either ability or motivation is zero, then the resulting performance is zero. However, people with less ability and stronger 'will' may be able to perform better than people with superior ability and lack of 'will', because people with high motivation learn to become capable while superior ability may not induce any motivation.

The force of motivation is a dynamic force, setting a person into motion or action. The word motivation is derived from 'motive', which can be defined as an active form of a desire, craving or need which must be satisfied. All motives are

NOTES

directed towards goals, and the needs and desires affect or change a person's behaviour which becomes goal oriented. For example, if you ordinarily do not want to work overtime, it is quite likely that at a particular time, you may need more money (desire), change your behaviour, work overtime (goal oriented behaviour) and satisfy your needs.

Motivation is defined by Viteles as follows:

'Motivation represents an unsatisfied need which creates a state of tension or disequilibrium, causing the individual to move in a goal directed pattern towards restoring a state of equilibrium by satisfying the need'.

Motivated people are in constant state of tension. This tension is relieved by drives towards an activity and outcome that is meant to reduce or relieve such tension. The greater the tension, the more activity will be needed to bring about relief and hence higher the motivation.

The concept of motivation has three basic characteristics. These are:

- **Effort:** The amount of effort put into the activity identifies the strength of the person's work related behaviour. Hard work usually reflects high motivation and high motivation is crucial to success and achievement. For example, a student who works very hard to get top grades can be referred to as highly motivated. Similarly, a professor who is engaged in research and publishes many high quality articles and books, is exerting extensive efforts related to his job.
- **Persistence:** Motivation is a permanent and an integral part of a successful person. Its second characteristic is persistence in the efforts. Motivation is continuously goal oriented so that once a goal is achieved, a higher goal is selected and efforts are directed towards the higher goal. For example, a professor who publishes simply to get a promotion and then stops or reduces research efforts would not be considered as highly motivated. Accordingly, high motivation requires persistent efforts.
- **Direction:** Persistent hardwork determines the quantity of effort while direction determines the quality of the anticipated output. All efforts are to be directed towards goal achievement. This would ensure that the persistent effort is actually resulting into expected outcomes. For example, a quality control inspector in a manufacturing organization is consistently expected to direct his efforts in discovering defects in the produced items so that the organizational goal of high quality output is met.

4.3.1 Job Satisfaction

It has often been said that a 'happy employee is a productive employee' and a happy employee must be satisfied with his job. Since most people spend nearly half of their waking lives at work, the importance of work satisfaction can be well understood. Additionally, job satisfaction usually indicates or results in satisfaction in life in general, that is necessary for contentment and happiness.

Job satisfaction can be defined as the extent of positive feelings or attitudes that individuals have towards their jobs. When a person says that he has high job satisfaction, it means that he really likes his job, feels good about it and values his job highly.

It has been established that highly satisfied workers have better physical and mental well-being. It is highly debatable as to which one is the cause and which one is the effect but they are known to be correlational. On the other hand, serious job dissatisfaction results in stress and tension that is usually the cause of a variety of physiological disorders.

Consequences of Job Dissatisfaction

Job satisfaction or dissatisfaction is of great concern to management since there seems to be a relationship between job satisfaction and job performance. Job dissatisfaction produces low morale among workers and low morale at work is highly undesirable. Accordingly, managers must be constantly watching for any signs of low morale and job dissatisfaction and take corrective action as soon as possible. Some of the indicators of low morale are:

- Employee unrest
- Absenteeism
- Tardiness
- Employee turnover

4.3.2 Learning

Learning can be defined as a relatively permanent change in behaviour or potential behaviour as a result of direct or indirect experience. There are two primary elements in this definition that must both be present in order to identify the process of learning. First is the element that the change must be relatively permanent. This means that after learning, our behaviour must be different, either better or worse as compared to our behaviour prior to this experience of learning. For example, if you have taken a course in word processing and you have learned how to use a computer to do word processing, then this change is long lasting as long as you continue to exhibit this changed behaviour that means that you continue to use the computer for this purpose. Similarly, you learn to drive a car or learn to use chopsticks for eating your Chinese food that you did not know before learning.

The second aspect of the definition is that this change must occur due to some kind of experience or practice. This learning is not caused by biological maturation. For example, a child does not learn to walk, it is a natural biological phenomenon because the child gains strength as he grows older. Similarly, we do not learn to eat or drink. Accordingly, learning must be because of some interaction with the environment and some feedback from such environment that affects behaviour. This experience does not have to be direct experience such as a secretary enrolling for a typing course and increasing her typing speed. It can also be due to

NOTES

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indirect experience of observing behaviour changes in others. For example, if you find out that your co-workers who come late to work are severely reprimanded by their supervisors, you would tend to come to work on time. This is an indirect experience.

Some incidents do not change the behaviour but only the behaviour potential. For example, if someone is thinking of using drugs, but has not actually used them and he finds out that a friend of his died because of drugs then he will not get involved with drugs. This experience has changed his behaviour potential.

It must be understood that the learning itself is not observable, but only the change in behaviour is observable that is the direct result of the process of learning. This change in behaviour must be differentiated from changes in behaviour because of other causes. The causes of such changes include aging, such as being stronger or improvement in memory in the early formative years, instinctive response tendencies such as a timid person being brave at the time of a crisis and such temporary factors as fatigue or use of drugs. Accordingly, as a unique determinant of behaviour, learning cannot take place unless the learner actually experiences what has to be learned.

4.3.3 Emotions

Etymologically the word emotion is derived from the Latin word **Emovere** which means to **stir up, to agitate** or to excite. RS Woodworth (1945), by making use of this explanation has defined emotion in this way, 'Emotion is a **moved or stirred up** state of an organism. It is a stirred up state of feeling, that is, the way it appears to the individual himself. It is a disturbed muscular and glandular activity—that is the way it appears to an external observer'.

According to Crow and Crow (1973), an emotion 'is an effective experience that accompanies generalized inner adjustment and mental and psychological stirred up states in the individual, and that shows itself in his own behaviour'.

William McDougall (1949) says, 'An instinct is an inherited or innate psycho-physical disposition which determines its possessor to perceive and to pay attention to, objects of a certain class, to experience an emotional excitement of a particular quality upon perceiving such an object, and to act in regard to it in a particular manner, or, at least, to experience an impulse to such an action'. This statement gives us the nature of emotions as well. According to McDougall, an instinctive behaviour has three aspects:

- (i) Cognitive or knowing or the perceptual aspect.
- (ii) Affection or feeling or emotional effects.
- (iii) Conative or doing or striving or executive, active or the behavioural aspect.

Let us take an example. A child sees a bull coming towards him. He experiences an instinctive fear and undergoes the above three processes. Firstly, he perceives the bull, secondly he experiences an emotion of fear and thirdly he

tries to run away. It is, therefore concluded that an emotion is an affective experience that one undergoes during an instinctive excitement.

McDougall discovered 14 basic instincts and pointed out that each and every emotion, whatever may be, is the product of some instinctive behaviour.

The instincts with their associated emotions are listed alphabetically as under:

<i>No.</i>	<i>Instinct</i>	<i>Emotion Accompanying an Instinct</i>
1.	Acquisition	Feeling of ownership
2.	Appeal	Distress
3.	Construction	Feeling of creativeness
4.	Curiosity	Wonder
5.	Flight or Escape	Fear
6.	Food seeking	Appetite
7.	Gregariousness	Feeling of loneliness
8.	Laughter	Amusement
9.	Parental	Tenderness, Love
10.	Pugnacity or Combat	Anger
11.	Repulsion	Disgust
12.	Self-assertion	Positive feeling or elation
13.	Sex, Mating	Lust
14.	Submission	Negative feeling

Kimball Young notes, 'Emotion is the aroused psychological state of the organism marked by increased bodily activity and strong feelings directed to some subject'.

Chief Characteristics of Emotions

There are several characteristics associated with humans and emotions. Some of these important ones are given below:

1. Emotional experiences are associated with some instincts or biological drives.
2. Emotions, in general, are the product of perception.
3. The core of an emotion is feeling that which is essentially linked with some sort of urge or impulsive act to do. There is only a difference of degree between feeling and emotion.
4. Every emotional experience involves several physical and psychological changes in the organism. Some of these changes, like bulge of the eyes, flush of the face, flow of tears, pulse rate, are easily observable. Also, there are internal physiological changes like circulation of blood, impact on the digestive system and changes in the functioning of some glands.
5. Emotions are frequent.

NOTES

NOTES

6. Emotions are expressed in relation to concrete objects or situations.
7. Emotions are temporary.
8. Emotional expressions in early childhood are intense irrespective of the intensity of the stimulus.
9. Small children fail to hide their emotions and express them indirectly through different activities like crying, nail-biting, thumb-sucking and speech difficulties.
10. Emotions are prevalent in every living organism.
11. Emotions are present at all stages of development and can be aroused in young as well as in old people.
12. Emotions differ from person to person.
13. The same emotion can be aroused by a number of different stimuli—objects or situations.
14. Emotions rise abruptly but die slowly.
15. Emotions are subject to displacement. The anger aroused on account of one stimuli gets transferred to other situations. The anger caused by the rebuking of the officer to his subordinate may be transferred in beating of his children at home.
16. One emotion may give rise to a number of likewise emotions.

Effects of Emotions on the Developing Individual

Given below are the important effects of emotions on the developing individual:

1. Emotions provide energy to an individual to face a particular situation.
2. Emotions work as motivators of our behaviour.
3. Emotions influence our adjustment in the society.
4. Highly emotional conditions disturb the mental equilibrium of an individual.
5. Highly emotional conditions disturb the reasoning and thinking of an individual.

4.3.4 Stress

Stress is a state of mind that reflects certain biochemical reactions in the human body and is projected by a sense of anxiety, tension and depression and is caused by such demands by the environmental forces or internal forces that cannot be met by the resources available to the person. The intensity of such demands that require a readjustment of resources or operational styles would determine the extent of stress. Such environmental events or conditions that have the potential to induce stress are known as “stressors”.

Medical researcher Hans Selye first used the term “stress” to describe the body’s biological response mechanisms. He defined stress as “the nonspecific

response of the body to any demand”. It must be understood that for the stress to occur, the response should be non-specific. All responses require utilization of energy. Any demand made on the body that is for some specific activity that is natural, expected and a part of daily routine, does not necessarily create stress. Even walking, thinking, writing and doing physical activities that are a part of personal and organizational existence, require energy consumption of the body but are not necessarily stress producing forces.

Stress does not necessarily occur due to undesirable developments. All situations that produce increased demand on a vital activity requiring adaptation to a new situation, produce stress in the form of a stereotyped pattern of biochemical, functional and structural changes in the human organism. These situations could be fear, pain, fatigue, emotional arousal, humiliation, frustration, need for concentration, loss of blood, drugs, loss of a loved one, non-occurrence of an expected event and even unexpected successes that require a change in the operational style.

The stress created by desirable and successful events is called “eustress” and the stress created by undesirable outcomes is known as “distress”. It is primarily the distress form of stress that requires examination and steps to cope with it. Eustress is a positive, healthy and developmental stress response. Thus, just as tension on muscles causes them to strengthen, some level of stress may lead to better performance and a more adjusted personality. Since we learn how to deal with our problems better, it improves our capacity to confront distress better. However, even though some levels of stress are necessary for psychological growth, creative activities and the acquisitions of new skills such as learning to drive a car or learning the use of a computer, it is the highly stressful situations that weaken a person’s physical and psychological capacity to cope with the stressors that have dysfunctional consequences. Just as high level stress is damaging to the physical and psychological well-being of the person, extremely low levels of stress are equally undesirable for they cause boredom, and result in lack of stimulation, innovation and challenges. Thus moderate level of stress is necessary for higher level of performance.

Stress Management

We know that some stress is necessary for optimum efficiency. We also have a general idea as to the level of stress that is destructive to job performance. Accordingly, it is necessary for individuals, as well as management to take steps to reduce stress to acceptable levels.

Individual strategies

It is necessary for the physical and psychological well-being of the person to reduce or eliminate the negative effects of stress. It is possible to manage stress, at least in the sense that a person can either avoid stressful conditions, change them or learn to cope with them. There are a number of ways by which stress can be managed

NOTES

NOTES

so that the person has control over his life. Some of these strategies deal with the individual himself and focus on improving his physical and mental strength to deal with stress from all sources and some strategies deal specifically with job-related stress.

Some of the stress reducing strategies that strengthen the individual's well-being are:

- ***Readjustment of life's goals***

Due to severe competition to 'get ahead', most individuals set very high standards and goals for themselves. They are always trying to do too much in too little time. They have tremendous fear of failing and they are running to nowhere. These high expectations and limited resources to reach such expectations result in stress. Accordingly, people must readjust their goals and make sure they have the ability and proper resources to reach such goals. Perhaps the goals should be established after resources have been analysed.

- ***Social support***

There is a saying that, 'a friend in need is a friend indeed'. Good friends become highly supportive during times of stress and crisis. Close and reliable friends may give a sympathetic hearing to your problems, a more objective assessment of the situation and support your sagging self-confidence or self-esteem. Many people turn to God for support during times of difficulties, believing God to be their 'best friend'. The idea of confession to a priest in the Catholic religion is primarily meant to receive moral support for stress created by some individual actions. Thus, God, priests, family, friends can all be a source of great comfort during times of stress.

- ***Planning life in advance***

While the attitude of 'whatever will be, will be' is a way to accept the unexpected difficulties in life. It is better to project events in life and plan to confront them when they occur. Many times, people create situations that induce stress because they either did not plan or they did a bad job of planning; for example, students who plan the pace of their studies during the semester seldom find exams excessively stressful. Accordingly, if we plan the proper utilization of our resources of time and money, the chances are that we will have less stress.

- ***Physiological fitness***

There is evidence to suggest that individuals who exercise and so strengthen their endurance and cardiovascular system, are much less likely to suffer from certain types of stress-related illnesses. As the correlation between physical fitness and stress resistance has become clear, many organizations have added facilities for physical exercise in their premises. With proper exercise, diet control and non-smoking habits, blood pressure and cholesterol levels become low and the body

becomes more resistant to pressure. People are more likely to get physically sick or emotionally depressed if they are overweight or poorly nourished.

- ***Yoga***

During the last twenty-five years, there has been a growing interest in yoga as a stress reduction strategy. The word 'yoga' means union and according to Amarjit Sethi, it 'implies union with the ultimate where the process of desiring has come to an end and where stress is non-existent.' To a common man, yoga is a structured set of exercises and body movements with deep breathing and mind concentration, so that it is a way of getting away from the stressors. To a serious student of yoga, it is a methodology to integrate body and mind forces to bring them into a state of harmony with the ultimate goal of being in unison with the Infinite. At the lower levels of physical and mental fitness, yoga consists of certain postural habits (known as *asanas*) and these postures are non-dynamic, passive and stable, resulting in increased flexibility of skeletal structure. This in turn stimulates the nervous system. Accordingly, with proper 'asanas' and controlled breathing, the neuromuscular coordination is strengthened, affecting glandular activity that is responsible for physical as well as mental health. Thus, the development of a sound mind in a sound body improves the stress coping capabilities.

- ***Meditation***

Meditation involves concentration of mind away from stress producing areas, sitting in a comfortable position, closing the eyes and clearing the mind from all disturbing thoughts. Any form of concentration that redirects our thought processes away from daily concerns can be considered meditation. Primarily, it involves silently repeating a single syllable or 'mantra' over and over again. This concentration on the 'mantra' shuts out other distractions and results in physical and mental relaxation at its peak. The place of meditation should be such that the meditator is not disturbed by any outside force such as telephone, children or visitors. This technique was popularized by Maharishi Mahesh Yogi, an Indian mystic, and the method is known as 'Transcendental Meditation' or TM.

Another form of meditation that has grown popular is the Benson's method or 'Relaxation Response'. This technique is similar to TM and is designed to elicit 'relaxation response' that is considered to be opposite to 'stress response'. The basic idea is to block extraneous and distracting thoughts from one's mind. It is a form of breathing meditation, where the meditator consciously thinks of a word or a symbol on every breath out. The idea is to dwell upon a particular word or sound or to gaze at a symbol or even concentrate on a particular feeling. Relaxation response should become an integral part of behaviour so that life stresses are effectively countered. Benson recommends 'relaxation response' breaks instead of coffee breaks to rejuvenate workers.

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4.4 DECISION-MAKING AND PROBLEM-SOLVING

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Decision-making and problem solving are core functions of management, because they are an integral part of all other managerial functions such as planning, organizing, directing and controlling. They are also an integral part of life because life cannot be managed without making decisions. We are always faced with situations where we have to make choices almost every day of our lives and making a choice out of many constitutes a decision. This decision may be a simple one, such as choosing clothes to wear, selecting food from a menu or deciding general activities for the day or it may be a major decision like changing a job or purchasing a house.

Rational decision-making and problem solving may be used interchangeably since a problem has to exist and a decision is made to solve such a problem. While most decisions indeed involve a problem, some decisions are comparatively routine and may not involve a problem. For example, decisions as to what to wear or which movie to see or whether to stay or go swimming are routine decisions and simple choices among available alternatives requiring common sense and simple qualitative judgement. Problem solving, on the other hand, is a much more vigorous process that requires rational inquiry based on unemotional reasoning. It requires identifying the problem, generating feasible solutions for it, choosing the best solution from utility point of view and then applying this solution to see if it works efficiently and effectively. In general, while decision-making results in a choice from many alternative courses of action, problem solving results in resolving the disparities between the desired performance and the performance that is actually obtained.

Decision-making is a complex mental exercise. Some of the decisions we make are highly significant with important consequences. The more significant ones very often need the exercise of considerable analytical judgement and the quality of such judgment is the backbone of successful decisions. These judgements must eliminate the root causes of the problems that have necessitated such decisions. Ineffective decisions attack only the symptoms and are only cosmetic in nature. They may solve the problem on the surface or on a short run basis, but in order to find a lasting solution, the problem must be attacked at its roots.

All problems have to be faced and solved. No person can avoid problems and ignoring a problem is never a solution. From the organizational point of view, the decision-making process is such an integral and important part of management that some management thinkers propose that management is simply a decision-making process. They call it the 'decision theory school of management.' The basic emphasis of this school is not on people or environmental variables influencing the management behaviour but on the process of decision-making and the theory that all management thought can be built around it.

4.4.1 Factors Affecting Decision-Making

Some of the factors and personal characteristics that have an impact on the decision maker are described below. Some factors are more important at higher levels of management and others are more important at lower levels.

1. Information inputs

It is very important to have adequate and accurate information about the situation for decision-making, otherwise the quality of the decision will suffer. It must be recognized, however, that an individual has certain mental constraints which limit the amount of information that he can adequately handle. Less information is as dangerous as too much information. Some risk takers and highly authoritative individuals do make decisions on the basis of comparatively less information than more conservative decision makers.

2. Prejudice

Prejudice and bias is introduced in our decisions by our perceptual processes and may cause us to make ineffective decisions. First of all, perception is highly selective, which means that we only accept what we want to accept and hence our senses filter only such type of information. Secondly, perception is highly subjective, which means that information gets distorted in order to be consistent with our pre-established beliefs, attitudes and values. For example, a preconceived idea that a given person or an organization is honest or deceptive, good or poor source of information, late or prompt on delivery, can have a considerable effect on the objective ability of the decision maker and the quality of the decision.

3. Cognitive constraints

The human brain, which is the source of all thinking, creativity and thus decision-making, is limited in capacity in a number of ways. For example, except in unique circumstances, our memory is short-term with the capacity of only a few ideas, words and symbols. Secondly, we cannot perform more than limited number of calculations in our heads which are not enough to compare all the possible alternatives in order to make an intelligent choice. Finally psychologically, we are always uncomfortable with making decisions. We are never really sure if our choice of the alternative was correct and optimal until the impact of the implication of the decision has been felt. This makes us feel very insecure.

4. Attitudes about risk and uncertainty

These attitudes are developed in a person, partly due to certain personal characteristics and partly due to organizational characteristics. If the organizational policy is such that it penalizes losses more than it rewards gains, then the decision maker would tend to avoid such alternatives that have some chances of failure. Thus, a manager may avoid a potentially good opportunity if there is a slight chance

NOTES

NOTES

of a loss. The personal characteristics of a decision maker regarding his attitudes towards risk-taking affects the success of the decision. The risk-taking attitude is influenced by the following variables.

- (i) **Intelligence of the decision maker:** Higher intelligence generally results in highly conservative attitudes and highly conservative decision makers are low-risk takers. There are others who are more willing to take calculated risks if the potential rewards are large and there is some chance of success.
- (ii) **Expectations of the decision maker:** People with high expectations are generally highly optimistic in nature and are willing to make decisions even with less information. The decision makers with low expectations of success will require more and more information to decide upon a course of action.
- (iii) **Time constraints:** As the complexity of the personal habits of the decision maker and the complexity of the decision variables increase, so does the time required to make a rational decision. Even though there are certain individuals who work best under time pressures and may outperform others under severe time constraints, most people, require time to gather all the available information for evaluation purposes. However, most people under time constraints rely on a 'heuristic approach', which relies on satisfactory decisions rather than optimal decisions, thus limiting the search for additional information, considering few alternatives and few characteristics of alternatives and focusing on reasons to reject some alternatives. This approach may also be in use when the cost of gathering information and evaluating all such information is too high.

4.5 INTERPERSONAL COMMUNICATION AND RELEVANCE TO ORGANIZATIONAL BEHAVIOUR

Interpersonal communication is fundamental to all managerial activities. All management functions involve communication in some form of directions and feedback. Effective management is a function of effective communication. Probably the most frequently cited source of interpersonal conflict is poor communication. Many operations have failed because of inadequate communication, misunderstood messages and unclear instructions. Even in life, communication plays a very important role among friends, within the family and in all social circles, since we spend nearly seventy per cent of our waking hours communicating; writing, reading, speaking and listening. 'Failure to communicate' is generally cited as a cause of lost friendships, divorces and distances between parents and children. Accordingly, communication plays an important role in all walks of human life as well as in organizational life.

Studies conducted by Gary L. Benson through a survey questionnaire sent to personnel managers of 175 of the largest companies in a western state of America indicated that written and oral communication skills are critical not only in obtaining

a job but also in performing effectively while in the job. The questionnaire contained some questions regarding the factors and skills that are most important in helping graduating business students obtain employment. Oral communication was considered the most important skill and the second most important skill was written communication.

From organizational point of view, no group can exist without communication that involves transference and understanding of information. It is only through communication and transmitting meaning from one person to another that ideas can be conveyed and discussed. It is a meaningful interaction among people so that the thoughts are transferred from one person to another in such a manner that the meaning and value of such thoughts is same in the mind of both the sender of the communication as well as the receiver of the communication. This is a very important aspect, otherwise an idea, no matter how great, is useless until it is transmitted and fully understood by others. This is one reason why groups are generally formed on the basis of intellectual similarities so that the group members are at a similar level of thinking and communicating. If some members of the group are highly intellectual or highly technical and others are not, there will be problems in communication.

Effective communication is very essential for management to successfully perform its functions. It is an essential ingredient in management–employee relations. It seems that there is a direct correlation between employee communication and profitable operations of the organization. As a senior executive noted: ‘The best business plan is meaningless unless everyone is aware of it and pulling together to achieve its objectives. Good communications are the lifeblood of any enterprise, large or small. Communications are essential to keep our entire organization functioning at maximum levels and to make the most of our greatest management resource—our people.’

According to W.R. Spriegal, ‘most of the conflicts in business are not basic but are caused by misunderstood motives and ignorance of facts.’ Proper communication between interested parties reduces the points of friction and minimizes those that inevitably arise. Accordingly, by proper communication and sharing of information, the management takes the employees into confidence and makes them more knowledgeable about problems and policies of the enterprise. The scope for a two-way means of consulting and exchanging facts, opinions and ideas between management and employees pertains to:

- Knowledge of policies and objectives of an enterprise.
- Knowledge of results and achievements from these policies.
- Knowledge of plans and prospects for the future.
- Knowledge of conditions of service.
- Knowledge of ways and means for improving efficiency and productivity.
- Knowledge of all aspects of industrial safety, health and welfare.

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Information and knowledge about all these aspects makes the operations of the organization comparatively trouble-free and it is the management's responsibility to ensure that employees have obtained all the necessary information about these different aspects and get the necessary feedback. According to Peter Drucker, a manager does not handle people; he motivates, guides and organizes people to accomplish their goals. His effectiveness depends upon his ability to communicate well with the employees. Good communication is the foundation of sound management. It is through communication that workers become aware of their own duties and responsibilities as well as the instructions and orders from the upper levels of management hierarchy and also their own suggestions, grievances and feedback. Proper communication eliminates delays, misunderstandings, confusion, distortions and bottlenecks, and improves coordination and control. It improves productivity by developing and maintaining good human relations in the organization. It is a basic tool for motivation and improved morale. Supervision and leadership are impossible without it.

It was largely the work of Chester Barnard in the late 1930s that highlighted communication as a dynamic force in shaping organizational behaviour. He considered it as one of the three important elements of an organization along with common purposes and willingness to serve. He also linked communication with his concept of authority. The authority, in a classical organization, flows down through the channels of communication. The authority can lose its meaning if the channels of communication are blocked or if the communication is misunderstood or if the strength of communication is diluted. Accordingly, he proposed seven communication guidelines that are a function of objective authority. These are:

1. The channels of communication must be clearly set and be known to all.
2. Every member of the organization should be reached by some channel of communication.
3. The line of communication should be as direct as possible.
4. There should be no blockage in the line of communication and the complete formal line should be used.
5. The communicator should be highly skilled in the art of communication.
6. The line of communication should be constantly kept open.
7. Every communication should be authenticated.
 - Understand the importance of effective communication at all levels of the organization
 - Understand the communication process model
 - Make a comparison of oral versus written communication
 - Enumerate various types of communication networks
 - Study the informal communication network
 - Know the various barriers to effective communication

- Learn how to overcome these barriers
- Set up some guidelines for effective communication

Check Your Progress

1. Name the categories of human behaviour.
2. Define job satisfaction.
3. What is the effect of emotions on the developing individual?

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4.6 ANSWERS TO CHECK YOUR PROGRESS QUESTIONS

1. There are two categories in which the causes of human behaviour can be classified. These are: (1) inherited characteristics and (2) learned characteristics.
2. Job satisfaction can be defined as the extent of positive feelings or attitudes that individuals have towards their jobs. When a person says that he has high job satisfaction, it means that he really likes his job, feels good about it and values his job highly.
3. The important effects of emotions on the developing individual are the following:
 - Emotions provide energy to an individual to face a particular situation.
 - Emotions work as motivators of our behaviour.
 - Emotions influence our adjustment in the society.
 - Highly emotional conditions disturb the mental equilibrium of an individual.
 - Highly emotional conditions disturb the reasoning and thinking of an individual.

4.7 SUMMARY

- Human behaviour, a complex phenomenon as it is, is most difficult to define in absolute terms. It is primarily a combination of responses to external and internal stimuli.
- It has been established that certain characteristics of behaviour are genetic in nature, and a human being inherits a certain degree of similarity to other individuals, as well as uniqueness in the form of genes and chromosomes.
- The theory of 'born' leaders suggests that some people behave in a certain manner, because they were born that way. The belief is based upon the assumption that certain behavioural characteristics are genetic in nature and are inherited. If we know that a person has certain inherited qualities and

NOTES

limitations, then we may be able to use our control techniques more intelligently.

- There are two categories in which the causes of human behaviour can be classified. These are: (1) inherited characteristics and (2) learned characteristics.
- Attitude may be defined as the organization of a perception within a frame of reference. It can also be described as the manner in which an individual behaves, reacts, thinks or perceives a particular object in a given situation.
- The subject of motivation is one of the most important and widely studied topics in the field of management and organizational behaviour. One of the most frequently used terms among managers is 'motivation'.
- It has often been said that a 'happy employee is a productive employee' and a happy employee must be satisfied with his job.
- Learning can be defined as a relatively permanent change in behaviour or potential behaviour as a result of direct or indirect experience.
- Stress is a state of mind that reflects certain biochemical reactions in the human body and is projected by a sense of anxiety, tension and depression and is caused by such demands by the environmental forces or internal forces that cannot be met by the resources available to the person.
- Decision-making and problem solving are core functions of management, because they are an integral part of all other managerial functions such as planning, organizing, directing and controlling.
- Interpersonal communication is fundamental to all managerial activities. All management functions involve communication in some form of directions and feedback. Effective management is a function of effective communication.

4.8 KEY WORDS

- **Attitude:** It can also be described as the manner in which an individual behaves, reacts, thinks or perceives a particular object in a given situation.
- **Perception:** It is the process by which information enters our minds and is interpreted in order to give some sensible meaning to the world around us.

4.9 SELF ASSESSMENT QUESTIONS AND EXERCISES

Short Answer Questions

1. List the chief characteristics of emotions.
2. Write a short note on stress management.

3. Briefly mention the relevance of interpersonal communication to organizational behaviour.

*Individual Behaviour and
the Process of Organization*

Long Answer Questions

1. Discuss the causes of human behaviour.
2. 'The subject of motivation is the most widely discussed topic in the field of management and organizational behaviour.' Explain the statement.
3. Analyse the significance of decision-making and problem-solving as core functions of management.
4. Why is interpersonal communication considered fundamental to all managerial activities? Give reasons for your answer.

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4.10 FURTHER READINGS

- Robbins, Stephen P. 2010. *Organizational Behaviour*. New Delhi: Prentice Hall.
- Davis, Keith. 2010. *Organizational Behavior: Human Behavior at Work*. New York: McGraw Hill.
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BLOCK - II

ORGANIZATIONAL SOURCES AND MANAGEMENT

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UNIT 5 GROUP BEHAVIOUR

Structure

- 5.0 Introduction
- 5.1 Objectives
- 5.2 Theories of Group Formation
- 5.3 Formal and Informal Groups and their Interaction
 - 5.3.1 Formal Groups
 - 5.3.2 Informal Groups
- 5.4 Importance and Objectives of Teams
- 5.5 Formation of Teams
- 5.6 Group Dynamics: Meaning and Issues
- 5.7 Group Norms
 - 5.7.1 Types of Norms
 - 5.7.2 Factors Influencing Conformance to Norms
- 5.8 Group Cohesiveness
- 5.9 Relevance of Group Dynamics, Norms and Cohesiveness to Organizational Behaviour
- 5.10 Answers to Check Your Progress Questions
- 5.11 Summary
- 5.12 Key Words
- 5.13 Self Assessment Questions and Exercises
- 5.14 Further Readings

5.0 INTRODUCTION

In the previous unit, you have studied about the various aspects associated with individual behaviour. We define group as more than two employees who have an ongoing relationship in which they interact and influence one another's behaviour and performance. The behaviour of individuals in groups is something more than the sum total of each of the individuals acting in his or her own way. Learning capabilities represent a set of core competencies, which are defined as the special knowledge, skills, and technological know-how that differentiate an individual or an organization from competitors and enable them to adapt to their environment. Learning capacities are the fuel for individuals or organizational success. In this unit, you will study about theories of group formation, formal and informal groups in an organization and their interaction, group dynamics, group norms and group cohesiveness. The unit will also throw light upon formation of teams and its importance.

5.1 OBJECTIVES

After going through this unit, you will be able to:

- Explain the theories of group formation
- Differentiate between formal and informal groups
- Explain the significance and formation of teams
- Analyze the various elements of groups, such as group dynamics, norms and cohesiveness

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5.2 THEORIES OF GROUP FORMATION

There are two theories of group formation, i.e., functionalist theory and interpersonal attraction theory. The first focusses on the functionality of the group aimed at achieving collective goals and the second emphasizing on the human need for social interaction.

Sigmund Freud believed that groups form and continue because of the need for affiliation and power.

Lewin held that group was a function of inter-related factors of the individual and the group.

Interaction theory views the group as a system of interacting individuals that produce three elements; activity-interaction-sentiment. This holds that you look at each to understand group behavior.

The systems theory adopts a position similar to interaction but adding the elements of positions and roles along with inputs and out puts.

Sociometric orientation emphasizes interpersonal choices among group members and the focus is on morale and performance and their dependence on the group

Psychoanalytic orientation focusses on the drives of the individual and is concerned about the motivational and defensive processes of the individual as related to the group.

General Psychology orientation attempts to extend the theoretical analyses of individual behavior to group behavior.

Empirical-statistical orientation holds the basic concepts of group theory can be discovered through the application of statistical analysis of data about individuals.

Formal and informal groups are formed in organizations for different reasons. Formal groups are sometimes called official or assigned groups and informal groups may be known as unofficial or emergent groups. Organizations routinely form groups. If we assume that management decisions are rational, groups must benefit

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organizations in some way. Presumably, the use of groups can contribute to achieving and maintaining a sustainable competitive advantage. Groups can do this if they enable an organization to fully tap the abilities and energy of its human resources. Furthermore, with regard to informal groups, people form groups to meet their individual needs.

(i) Performance

Group effort can be more efficient and effective than individual efforts, because it enables the employees to specialize in and contribute to a variety of strengths. Organizations structure employees into functional and task groups so that they can develop and apply expertise in particular functions, products, problems or customers. The other factor contributing to performance is motivation, and groups can enhance this as well. When employees work in groups, the group is an important force for creating and enforcing standards for behaviour.

(ii) Cooperation

Carrying out an organization's mission is something no person can do alone. However, for several people to accomplish a mutual goal, they must cooperate. Group dynamics and characteristics can enhance cooperation among employees, especially when members identify themselves as a group and are rewarded for group success.

(iii) Satisfaction

If satisfaction improves motivation (and therefore performance), organizations as well as individual employees can benefit from employees' satisfaction derived from group membership. A major source of this satisfaction is that people have a need of being with others and being liked by them. The way people satisfy this category of needs is by participating in groups focusing on social activity. Group membership may also be a means of satisfying their need for security, power, and esteem.

5.3 FORMAL AND INFORMAL GROUPS AND THEIR INTERACTION

We define 'group' as more than two employees who have an ongoing relationship in which they interact and influence one another's behaviour and performance. The behaviour of individuals in groups is something more than the sum total of all acting in their own way. In other words, when individuals are in groups, they act differently than they do when they are alone.

Groups can be either formal or informal.

5.3.1 Formal Groups

A formal group is set up by the organization to carry out work in support of the organization's goals. In formal groups, the behaviour that one should engage in

are stipulated by and directed towards organizational goals. Examples include a bookkeeping department, an executive committee and a product development team. The formal group may be a command group or a task group.

(i) Command group

A command group comprises a manager and the employees who report to him or her. Thus, it is defined in terms of the organization's hierarchy. Membership in the group arises from each employee's position in the organizational chart.

(ii) Task group

A **task group** comprises employees who work together to complete a particular task or project. A task group's boundary is not limited to its immediate hierarchical superior. It can cross-command relationships. An employee's membership in the group arises from the responsibilities delegated to the employee—that is, the employee's responsibility to carry out particular activities. The task group may be temporary with an established life span, or it may be open ended.

5.3.2 Informal Groups

An organization's informal groups are groups that evolve to meet social or affiliation needs by bringing people together based on shared interests or friendship. Thus, informal groups are alliances that are neither formally structured nor organizationally determined. These groups are natural formations in the work environment that appear in response to the need for social contact. Many factors explain why people are attracted to one another. One simple explanation is proximity; when people work near one another every day, they are likely to become friends. That likelihood is even greater when people share similar attitudes, personalities or economic status.

(i) Friendship groups

Groups often develop because the individual members have one or more common characteristics. These formations are known as friendship groups. Social alliances, which frequently extend outside the work situation, can be based on similarities age, political view, education, etc.

(ii) Interest groups

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

(iii) Reference groups

Sometimes, people use a group as a basis for comparison in making decisions or forming opinions. When a group is used in this way, it is called a reference group. Employees have reference groups inside or outside the organization where they

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NOTES

work. For most people, the family is the most important reference group. Other important reference groups typically include co-workers, friends and members of the person's religious organization. The employee need not admire a group for it to serve as a reference group. Some reference groups serve as a negative reference; the employee tries to be unlike the members of these groups.

(iv) Membership groups

When a person belongs to a group (formal and informal groups to which employees actually belong) the group is called a membership group (or affiliation group) for that person. Members of a group have some collective benefits and responsibilities that go beyond the group serving as a reference point. In a membership group, each member would be expected to contribute to the group's well-being and would enjoy the benefit arising from the group member's friendship.

5.4 IMPORTANCE AND OBJECTIVES OF TEAMS

Organizations use teamwork because it meets organizational objectives better than individualized efforts. Organizations institute teamwork for the following reasons.

1. **Higher Quality, Productivity and Profits:** It is explained by the following points:
 - (a) Many organizations have credited teamwork with improvements in quality, productivity and profitability. To establish and maintain a competitive edge in the quality of their goods and services, organizations need to continually make improvements. This is most likely to be achieved when employees at all levels are directly involved in the quality effort, as is the case with teamwork.
 - (b) Employees in teams also tend to deliver high quality because their involvement and authority make them highly committed.
 - (c) A team gives employees a means by which they can make continuous improvements in work processes.
 - (d) Profits rise with the rise in quality and productivity. Teamwork also boosts profitability by reducing costs.
2. **Greater Flexibility:** Teams can improve flexibility because team members' broad skills and job descriptions enable them to adapt to processes quickly. Team members have the skills, information and authority to direct their expertise and commitment towards satisfying those needs.
3. **Greater Responsiveness to Change:** For an organization to respond fast to change, employees who implement strategies must be involved in decisions about those strategies. A logical way to create the necessary involvement is to use teams.

4. **Meet Social Needs:** Teamwork offers a chance to meet social needs and enjoy a sense of involvement and achievement. It can make work more interesting and is a good fit with the higher value modern employees place on participation in decision-making and an opportunity to do something meaningful.

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5.5 FORMATION OF TEAMS

The Team Formation model developed by Tuckman shows that a team experiences different stages to build the necessary relationships needed for the achievement of its goals. These stages are forming, storming, norming, performing and adjourning. It is a very useful and practical model that throws some light on the various stages of team development, but it is important to mention that while it may provide us with a roadmap it is unable to identify and quantify what each team member brings to the collaborative effort.

We have already understood that a team is usually established to work on a specific project, a process or a job. When the job is complete, the team disbands. It is generally expected of a team to start functioning immediately with its full capacity, but this is an unrealistic expectation because before a team can become highly effective, its members need to develop and gel with each other to begin working together effectively. Tuckman and Jensen (1977) recommended five stages through which a team must progress to become highly effective and consequently successful.

These five stages are discussed in detail as follows:

(i) Forming

During this stage, the individual team members have just collected and have not yet developed the characteristics of a team. They are still trying to learn and know about each other. There is a need in them to feel a part of the team for which they strive to know one another's attitudes, behaviour patterns, personality type and backgrounds, and also most importantly, agree on the basic ground rules. Members are also keen to develop their own identity in the team and make an impression on their colleagues. The major issues for a team during this stage are cohesion and involvement.

(ii) Storming

The next stage in the formation of a team is storming. As the name suggests, it is the stage during which conflicts arise. It is a very difficult and trying time for the team, since the team generally gets embroiled in conflicts and unnecessary confrontations. Team members negotiate with each other as they try to sort out or try to understand each other's expectations. They also communicate their individual objectives and it is at this stage that conflict may prevail when differences in individual

goals are revealed. They may resist control and exhibit opposition to other team members. The key issues at this stage are direction of the team and the proper management of conflict.

NOTES

(iii) Norming

During this stage, group norms or basic rules and regulations are set, such as the rules related to behaviour and allocation of roles. The team members develop variety of ways of working so as to start and develop closer relationships and harmony where mutual trust and respect exists. During this stage, the team concentrates its entire focus on objectives to be achieved and the results to be delivered. They also expect feedback since it gives them an idea of how team targets are to be achieved.

(iv) Performing

It is in this stage, as the name suggests, that the team job actually gets accomplished and the overall objectives achieved. The team generally engages in group thinking and excludes non-team contributors. During this stage, the problems faced are more likely to be concerned with an individual team member's performance such as de-motivation or lack of proper communication, ego clashes, etc. Sometimes the teams are unable to reach this point as they are caught up in earlier stages.

(v) Adjourning

This is the final stage during which a team may simply disband since they have either completed the job or the fellow team members have moved on. Before the team disbands, its team members may ponder on the time they spent together and then get themselves ready to go their own ways. Some team members may experience feelings of melancholy, separation and even loss.

Although this model has been very popular and widely used to understand the intricacies of team formation, it has its limitations as well. For several years, Dr Meredith Belbin further researched this model by exploring the behavioural preferences team members have when they are working collectively, and finally brought forward more behavioural aspects of a team's formation. The nine team roles given by him, as discussed earlier, provide an interesting insight into various elements of a team's job and the various styles that the team members adopt. It has been observed that most individuals have a few strong preferences because of which they may sacrifice a role if needed to adjust others who may be better suited for it. We have also studied other models pertaining to the team roles as well, such as the Margerison and McCann Team Management Wheel. These have quite similar behavioural descriptions and they also stress on the blend of preferences which is highly significant to the success of collaborative performance of a team. All these models are quite general in nature and do not consider the context in which a team works.

To understand this issue, we need to first understand the ‘equation of innovation’ in a proper way. It is important to acknowledge that innovation is a multiple of creativity and risk taking and each team member has a unique mix of these skills or attributes. This equation as developed by Dr Jacqueline Byrd provides unique information about a team member’s innovation capacity. By activating the two drivers, creativity and risk taking, one can develop his/her innovation capacity or abilities even further. Dr Byrd has developed an inventory that helps measure this capacity which is known as ‘creatix’. It is a simple self-assessment survey that yields normative data against each of the drivers and characterizes the capacity of innovation through an orientation profile. This profile of the behaviours describes individual approaches and styles as they distinctly relate to the context of innovation, which is introducing new methods, ideas or products.

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5.6 GROUP DYNAMICS: MEANING AND ISSUES

Group dynamics was invented at the early stages of civilisation. When individual members were unable to meet their economic and social requirements, they united together. Some members sat together and pondered over the problem to get an effective solution. This was the beginning of the formation of a group, because a group can perform some things which individuals cannot. The group has a tremendous force of strength. The more effective the formulation and proper utilisation of group thinking are in the organization, the more strength the group will possess.

Group dynamics has become an important subject of management, because it provides useful information on dynamics of behaviour. The social process by which people interact face to face is called group dynamics. The study of group dynamics has been done under meaning and design, type of group, physical environment, personal environment, social environment, task environment, group decisions, strength and weakness and team work.

Meaning and Origin of Group Dynamics

Dynamics means force. It infers that group dynamics is group force and strength. It is a force operating within the group. The kind of force operating within the group depends upon the kind of leadership style. Group dynamics has synergy whereby two plus two is equal to five. A group is the composition of two or more persons formed for achieving the group goals through personal interaction and relationship. The group members are interdependent. A group, once formed, motivates people to join it for personal and organisational interests. Members perceive that the group exists and they are members of the group.

Features of Group Dynamics

The important features of group dynamics are perception, motivation, groups goals, group organization, interdependency, interaction and entitativity.

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1. *Perception.* Group dynamics as defined by perception implies that every member of the group is aware of his respective relationship with others. The group consists of organisms or agents. The members or agents are engaged in interaction with one another. They have face to face meetings. They develop some impression or perception about each other and give their reactions to each other. Each member perceives the group differently, which he reveals at some situations. The members perceive the role of the group based on their learning and background. Group strength is developed if its members are properly trained and motivated. Group members form a group against the forces which threaten their individual freedom. Members perceive the group as problem-solving or as developmental depending upon the situation on which groups are formed by the members.
2. *Motivation.* Members join groups because they expect that the group will solve their problems. They want progress and promotion which are achieved through group performance. The pressures and problems are jointly met by them. Group norms emerge to guide individual behaviour. Cooperative feelings are increased for helping each other. The group is developed taking into consideration individual interests. Employees join groups to get their pay and working problems redressed. In a social system, businessmen join a club or association to improve their business opportunities and solve the problems posed by the administration and people. Social groups are formed for solving individual problems. A group is a collection of organisms in which the existence of a member is assured by them. The perception of unity and interactive force is present in a group, which motivates the employees for better performance. The different needs of society are met by forming different groups. The group leader has to play his role of providing a proactive influence and receiving the feedback from the group members.
3. *Group goals.* Group goals are targets towards which input, process and output are directed. Group goal is the essential component of group formation, although it is not the only condition for forming a group. A goal is used for motivating the employees. The path goal relationship produces a higher responsibility for attaining the goals. If people of a group accept responsibility, group activities are evolved and workers perform successfully. When employees see the manager as supportive, they try to achieve the group goals. The responsibility consciousness makes the group members realise their duties. They put group goals above their individual goals. Members become an inevitable part of the group if they start realising the group goals as superior to the individual goals.

4. *Group organization.* Group is an organization which is composed of different organs to attain certain objectives. A group has the structural elements of an effective organization. A socio-psychological group is evolved wherein two or more individuals are interrelated. It has a set standard of relationship among its members. Similarly, it has a set of norms that regulate the functions of the group. A number of individuals in the group have definite status, role relationship, set of values and own regulating behaviour. The group structure has power relations, effective relations and well-defined jobs. It has diagnosing, adapting and communicating processes. Individual group members differ from each other. A group is used for developing knowledge and skills. All the group members are not equally powerful. Some of them have more power and a higher position than others. A hierarchical structure is visible in the group. It has group force for the development of the whole organization.
5. *Interdependency.* The main feature of a group is the members' interdependence. The members of a group may have a common goal but they may not be a part of the group because they are not interdependent. Individuals waiting for their turn at a bus stop have the common goal of travel but they do not constitute a group because the individuals are not interdependent. If the individuals start supporting each other and interact with each other, they form a group. If they develop it as a permanent system, it becomes an organization. Interdependence must be dynamic. The group members have equity of goals and similarity of performance. Dynamism is experienced if interdependence is committed into group strength. A group is a social entity which has social strength. It is derived from the constituent members who are interdependent.
6. *Interaction.* Members of a group must interact with each other. If they are interdependent but do not interact, the group's goals are not achieved. Members have an interpersonal problem-solving mode. If any problem arises, the interaction of all the members is needed to solve the problem. Each person must communicate with others when the need arises. Interaction differentiates the group from a mere collection of people. Interaction between the members of a group may take different forms, e.g. verbal interaction, physical interaction, emotional interaction and so on. The group is defined on the basis of interaction, wherein two or more persons interact with one another in such a manner that each person influences and is influenced by each other. It is a two-way communication which requires mutual influence. A group is an entity in which communication is essential as in any other organization.
7. *Entitativity.* A group has its own identity. It has similarity and proximity. It is felt and realised but cannot be seen. The collection of individual experiences become the guidelines for the members. The uniform, office and people

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become the symbol of a group. The vicinity and proximity have given birth to the group.

Issues in Group Dynamics

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Some of the issues that hinder healthy group dynamics are bad communication, poor leadership, lack of focus, social loafing, group thinking, dominating and arguing behaviour, tunnel vision, over-dependency and people pleasing behaviour, etc.

5.7 GROUP NORMS

Norms are shared ways of looking at the world. Groups control members through the use of norms. A norm is a rule of conduct that has been established by group members to maintain consistency in behaviour. Norms tell members what they should and should not do under certain circumstances. From an individual's standpoint they tell what is expected of you in certain situations. Norms differ among groups, communities, and societies, but they all have norms.

According to Hackman, norms have the following characteristics:

- (i) Norms summarize and simplify group influence processes. They resolve impersonal differences in a group and ensure uniformity of action.
- (ii) Norms apply only to behaviour, not to private thoughts and feelings.
- (iii) Norms are usually developed gradually, but the process can be shortened if members so desire.
- (iv) Not all norms apply to everyone. High-status members often enjoy more freedom to deviate from the 'letter of the law' than do other members.

5.7.1 Types of Norms

Norms are unique to each work group. Yet, there are some common classes of norms that appear in most work groups.

- (i) *Performance-related processes*: Work groups typically provide their members with explicit cues on how hard they should work, how to get the job done, their level of output, etc. These norms deal with performance-related processes and are extremely powerful in affecting an individual employee's performance.
- (ii) *Appearance factors*: Some organizations have formal dress codes. However, even in their absence, norms frequently develop to dictate the kind of clothes that should be worn to work.
- (iii) *Allocation of resources*: These norms cover pay, assignment of difficult jobs, and allocation of new tools and equipment.

- (iv) *Informal social arrangement*: These norms can originate in the group or the organization and cover pay assignment of difficult jobs, and allocation of new tools and equipment.

5.7.2 Factors Influencing Conformance to Norms

As a member of a group, you desire acceptance from the group. Due to your desire for acceptance, you are susceptible to conforming to the group's norms. Considerable evidence shows that groups can place strong pressures on individual members to change their attitudes and behaviours to conform to the group's standard. However, conformity to norms is not automatic. It depends on the following factors:

- (i) *Personality factors*: Research on personality factors suggests that the more intelligent are less likely to conform than the less intelligent. Again, in unusual situations where decisions must be taken on unclear items, there is a greater tendency to conform to the group's norms. Under conditions of crisis, conformity to group norms is highly probable.
- (ii) *Situational factors*: Group size, communication patterns, degree of group unanimity, etc., are the situational factors influencing conformity to norms.
- (iii) *Intragroup relationships*: A group that is seen as being creditable will evoke more compliance than a group that is not.
- (iv) *Compatible goals*: When individual goals coincide with group goals, people are more willing to adhere to group norms.

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5.8 GROUP COHESIVENESS

Groups are a pervasive part of modern life. We are members of many different groups. Although every group is different, possessing its own unique attributes and dynamics, it is also true that in many important ways groups tend to display similar patterns of evolution. Formal and informal groups are formed for various reasons. Some of the reasons involve the need for satisfaction, proximity, attraction, goals and economics. The closeness or commonness of attitude, behaviour and performance makes groups cohesive.

Formal and informal groups seem to possess a closeness or commonness of attitude, behaviour and performance. This 'closeness' or 'commonness' is called 'cohesiveness'. Cohesiveness is a force that acts on the members to remain in a group and is greater than the forces that work on members to pull them away from the group. Highly cohesive groups comprise individuals who are motivated to be together. Group cohesiveness is the extent to which a group is committed to remaining together; it results from 'all forces acting on the members to remain in the group.' The forces that create cohesiveness are attraction to the group, resistance to leaving the group and motivation to remain a member of the group.

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There are a number of reasons for groups to be cohesive. Some of them are given below:

- (i) The goals of the group and the members are compatible and therefore individuals are attracted towards groups.
- (ii) The group has a charismatic leader who is well respected and admired by his followers.
- (iii) Members get support from other group members and are helped by other members to overcome obstacles and barriers.
- (iv) The group is small enough to enable members have their opinions heard and are evaluated by others.

The concept of group cohesiveness is important for understanding groups in organizations. From the organization's point of view, the degree of cohesiveness in a group can have either positive or negative effects depending on how group goals match up with those of the organization. If the group is highly cohesive but its goals are not compatible with the organization then group behaviour will be negative. Therefore, from the point of the organization, it may sometimes be desirable to alter the cohesion of a work group; for example, if the group goals are compatible with organizational goals then the managers must increase cohesiveness as higher the group cohesiveness, the more beneficial is its effect on the organization. However, when group goals counter those of the organization, managers must take steps to decrease group cohesiveness. Here, it should be noted that attempts to alter the cohesiveness of any group may not work and may even backfire on the organization. Therefore, managers should exercise great care in making decisions about attempting to influence the cohesion of work groups.

Successful groups reach their goals more often and this increases group cohesiveness. It should also be noted that a successful group becomes more cohesive and this increases the possibility of success.

5.9 RELEVANCE OF GROUP DYNAMICS, NORMS AND COHESIVENESS TO ORGANIZATIONAL BEHAVIOUR

One of prevailing arguments in business is the effectiveness of group work. There are several opinions to suggest that companies are overestimating the importance of group dynamics, and that the use of a group approach to resolve issues should be cut down. There is, however, another school of thought that endorses the use of groups and views it as among the best tools of involving employees. Many also believe that group dynamics is an ethical way of managing an organization.

Organizations need groups so that its employees can exchange information. It is impossible for any one individual to know about every little thing relevant to the organization. That knowledge is only possible through group discussion.

Teamwork is vital to the success of an organization. Without proper group dynamics, members of an organization may not be able to function at their optimum potential. For example, if a boss dominates a business meeting without taking feedback from those attending it, the purpose of the meeting is nullified and the attendees are rendered redundant.

All successful organizations have good teamwork. There are five crucial elements of effective group dynamics:

- (i) A personal desire to accomplish team goals
- (ii) A desire to learn from one another
- (iii) A willingness to openly share information
- (iv) A desire to ask questions, and do so in a respectful way
- (v) A desire to help each other to achieve team goals

For groups to function effectively there will have to be certain norms. Norms help to establish proper behaviour in social situations; they have a great influence over group behaviour. If individuals in a group were to behave as they pleased, there would be ceaseless arguments and no decision would be possible.

It is important for managers to understand how norms develop and the reasons for their enforcement. So, why is it so important for group norms to be enforced? One major reason is that norms help groups to survive. They are also enforced to simplify the behaviour of group members. With norms in place, everyone will behave in a respectful manner, and groups can avoid embarrassing interpersonal problems.

When a group becomes cohesive, the organization will benefit. There are factors that influence the cohesiveness of the group. Groups tend to become cohesive when competition is great or there is a threat to their survival. Smaller groups are more cohesive as members get more time for each other. The advantages to group cohesiveness to an organization are manifold. Worker satisfaction increases; there will be low turnover and absenteeism as employees enjoy spending time with group members. Ultimately, higher productivity is achieved.

There is evidence to suggest that groups characteristically do better than individuals when the work requires greater skill and decision-making ability. Groups have greater flexibility. Individuals in a group have more likelihood of partaking in decision-making and problem-solving activities than individuals outside of a group. Groups are also mainly responsible for completing organizational work. Thus, the effectiveness of groups is relevant to the effectiveness of an organization.

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Check Your Progress

1. What is a task group?
2. Define norms.
3. State the five essential elements of effective group dynamics.

5.10 ANSWERS TO CHECK YOUR PROGRESS QUESTIONS

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1. A task group comprises employees who work together to complete a particular task or project. A task group's boundary is not limited to its immediate hierarchical superior.
2. A norm is a rule of conduct that has been established by group members to maintain consistency in behaviour.
3. According to Hackman, norms have the following characteristics:
 - (i) Norms summarize and simplify group influence processes. They resolve impersonal differences in a group and ensure uniformity of action.
 - (ii) Norms apply only to behaviour, not to private thoughts and feelings.
 - (iii) Norms are usually developed gradually, but the process can be shortened if members so desire.
 - (iv) Not all norms apply to everyone. High-status members often enjoy more freedom to deviate from the 'letter of the law' than do other members.

5.11 SUMMARY

- We define 'group' as more than two employees who have an ongoing relationship in which they interact and influence one another's behaviour and performance. The behaviour of individuals in groups is something more than the sum total of all acting in their own way.
- An organization's informal groups are groups that evolve to meet social or affiliation needs by bringing people together based on shared interests or friendship. Thus, informal groups are alliances that are neither formally structured nor organizationally determined.
- Many organizations have credited teamwork with improvements in quality, productivity and profitability. To establish and maintain a competitive edge in the quality of their goods and services, organizations need to continually make improvements.
- Teams can improve flexibility because team members' broad skills and job descriptions enable them to adapt to processes quickly.
- Groups control members through the use of norms. A norm is a rule of conduct that has been established by group members to maintain consistency in behaviour. Norms tell members what they should and should not do under certain circumstances.

- Cohesiveness is a force that acts on the members to remain in a group and is greater than the forces that work on members to pull them away from the group. Highly cohesive groups comprise individuals who are motivated to be together.
- Group cohesiveness is related to many aspects of group dynamics like maturity, homogeneity, manageable size and frequency of interactions.

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5.12 KEY WORDS

- **Formal group:** It is set up by the organization to carry out work in support of the organization's goals. In formal groups, the behaviour that one should engage in are stipulated by and directed towards organizational goals.
- **Command group:** It comprises a manager and the employees who report to him or her.
- **Motivation:** It can be defined as a general desire, need or want that generates the energy required for someone to behave in a specific manner.

5.13 SELF ASSESSMENT QUESTIONS AND EXERCISES

Short Answer Questions

1. State the significance of groups.
2. Differentiate between formal and informal groups.
3. Why are teams important?
4. State the types of norms.
5. Define group cohesiveness.

Long Answer Questions

1. Write a detailed note on theories of group formation.
2. Discuss the various aspects of team formation.
3. Explain the features of group dynamics.
4. 'Groups control members through the use of norms'. Elaborate.
5. Discuss the significance of group cohesiveness in the organizational context.

5.14 FURTHER READINGS

NOTES

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UNIT 6 ORGANIZATIONAL POWER

Structure

- 6.0 Introduction
- 6.1 Objectives
- 6.2 Organizational Power: An Overview
 - 6.2.1 Definition and Nature of Organizational Power
 - 6.2.2 Sources and Characteristics of Power
 - 6.2.3 Types of Power
- 6.3 Power Centre in Organization
- 6.4 Effective Use of Power or Power Tactics
 - 6.4.1 Individual and Intragroup Strategies
 - 6.4.2 Intergroup Power Tactics
- 6.5 Answers to Check Your Progress Questions
- 6.6 Summary
- 6.7 Key Words
- 6.8 Self Assessment Questions and Exercises
- 6.9 Further Readings

NOTES

6.0 INTRODUCTION

In the previous unit, you studied about the various aspects of group behaviour and its relevance to organization. This unit will introduce you to the concept of organizational power. Power differs from authority, in that authority is the right of decision and command and it is legitimate, approved by the organizational structure and is freely accepted by all. The legitimate use of authority and acceptance of it is designated as 'psychological contract'.

'The psychological contract is the mutual set of expectations which exist between an organization and an individual. These expectations cover what pay the individual will receive as well as the whole pattern of rights and privileges of the person. In return, the individual is expected to contribute both work and some commitment.' Legitimate authority gives the person legitimate power and as long as the commands issued fall within the boundaries of psychological contract, the person will comply. These commands are not considered as use of power of two reasons. First that the person who issues the command is fully authorized to do so and secondly the 'psychological contract' is based on mutual consent. It is the use of power outside the boundaries of 'psychological contract' is based on mutual consent. It is the use of power outside the boundaries of 'psychological contract', which is resented by people. It could also be called 'misuse of power'. According to Kanter, 'power is Americas's last dirty word.'

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6.1 OBJECTIVES

After going through this unit, you will be able to:

- State the nature and characteristics of power
- Discuss the sources of power
- List the types of power
- Analyse the effective use of power or power tactics

6.2 ORGANIZATIONAL POWER: AN OVERVIEW

Let us analyse the various elements of organizational power.

6.2.1 Definition and Nature of Organizational Power

Power is defined as the ‘possibility of imposing one’s will on the behaviour of others’. The essence of power is control over the behaviour of others. Power is also a reflection of influence that one person may have over others. If you are able to convince another person to agree to your views or change his or her own opinion on a given issue, you have exercised influence over the other person and thus power has been used.

All managers have a two-dimensional power base. One is the power generated because of the position of the manager in the hierarchy of the organization and the second is the personal power. A successful manager is the one who has built up high positional as well as personal power base.

The position power can be built and enhanced by some of the factors proposed by Whetten and Cameron. These factors are:

Centrality: Centrality refers to the activities that are most central to the work flow of the organization. If the information filters through the manager thus giving the manager some say in the work of many work subunits, then the manager has acquired some positional power. For example, the manager of the accounting department or finance department is central in approving expenses and making payments of all departments in the firm, giving the manager an extra power base to affect the behaviour of other departments.

Scarcity: When resources are scarce but critical to organizational operations and there is a struggle for acquiring these resources, then the winner of the struggle acquires power. When unlimited resources are available in capital, space or support staff, there will hardly be any reason for spending energies in pursuit of power for such power would have no influence on the smooth functioning of the organization. It is only when cutbacks occur in these resources that the differences in power will become apparent. According to a study conducted in a large University, Salanick and Pfeffer found that the power of academic departments was associated with their ability to obtain funds from research grants and other outside sources and

this was more critical to their power than was the number of undergraduates taught by the department.

6.2.2 Sources and Characteristics of Power

Power involves the potential to influence others. However, where does the power come from? The sources of power can be primarily categorized into two: formal position of the leader and personality characteristics of the leader.

Formal Position

Generally, the power attached to a position is more potent than the person who occupies the position. For instance, the position of the president of the United States has great power, no matter who occupies it. On a different plane, the same is true for the positions of corporate presidents, police chiefs, and other government officials. The characteristics of power include factors like:

- Power may be positive or negative
- Power has no correlation with the role of individual in the organization
- Power is not consistent and may change as per the performance

Personality Characteristics of the Leader

Each individual, whether or not in a leadership role, possesses a certain personality power. At times, people use their personality to influence others. Leaders with a positive attitude, a pleasant voice, a decisive manner, and a strong identity, generally, have the most impact. Charisma is often associated with personality power. Webster's New World Dictionary defines charisma as "a special quality of leadership that captures the popular imagination and inspires unswerving allegiance and devotion." Charismatic people have a star quality that often makes people want to follow them.

6.2.3 Types of Power

A person in an organizational setting can have power from two sources. These are interpersonal sources and organizationally based structural sources in Figure 6.1.

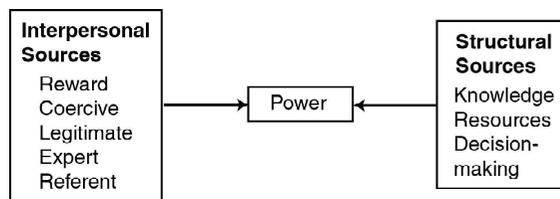


Fig. 6.1 Sources of Power

Source: Based upon Don Hellriegel, John W. Slocum and Richard W. Woodman, 'Organizational Behavior', West Publishing, 1986, p-462.

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These sources are explained in further details as follows:

Interpersonal Sources of Power

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These sources of power focus on the interpersonal relationships between manager and the subordinates. French and Raven have identified five general bases of power which are based upon interpersonal relationships. These are:

Legitimate power: This is the power that is vested in the leadership to take certain actions. For example, a manager's position in the organization gives him the power over his subordinates in his specific area of responsibility. The subordinates will favourably respond to a manager's directives because they recognize and acknowledge the manager's legitimate rights to prescribe certain behaviours expected of subordinates. Legitimate power is similar to formal authority so that it can be created, granted, changed or withdrawn by the formal organizations.

The structure of the organization also identifies the strength of the legitimate authority by position location. Higher level positions exercise more power than lower level positions in a classical hierarchical organizational structure. For highly mechanistic organizations, the legitimate power for each position is closely specified. In more democratic type of situations the superiors and subordinates may be on equal footing.

Similarly, to some degree, legitimate power can also be given by society to a particular leader, who has been elected by the populace. For example, the president of a country or an elected mayor of a city has certain power and authority. This power may also be culturally specified. In many cultures, children simply 'obey' their parents. In some other cultures, people of certain castes are highly respected. In the tribes of Africa and Middle East, the tribal chiefs have traditionally enjoyed the power and authority over their people. In India, old age brings with it the power to command respect.

Reward power: A second base of power is the extent to which one person has control over rewards that are valued by another. The greater the perceived values of such rewards, the greater the power. These rewards can be extrinsic in nature with tangible values. For examples, if a manager has total control over the pay his subordinates get and their work assignment as well as their promotions, then the manager can be considered to have a high level of reward power. Similarly, the chairman of a division in a college or a university holds considerable power in reappointments, tenures and promotions for the faculty of his division.

Reward power can extend beyond extrinsic rewards. It may include such subjective and intrinsic rewards as praise and recognition. If the subordinate is interested in acceptance and recognition of his contributions and the manager can provide such rewards, then this serves as an additional form of reward power.

Coercive power: On the other end of the reward power is the coercive power which is the ability to influence punishment. It reflects the extent to which a manager can deny desired rewards or administer punishment to control other people. The more sanctions a manager is able to bear upon others, the stronger is his coercive power. Some managers belittle the efforts of others in front of their

peers and get away with it. To that degree, they possess the coercive power. The coercive power, which is the power to reprimand, demote or fire subordinates for unsatisfactory performance is seldom exercised because of the cost involved in the form of employee resentment and hostility.

Expert power: It is more of a personal power, rather than organizational power and is the ability to control another person's behaviour through the possession of knowledge and expertise that the other person needs and does not possess himself. For example, a subordinate will obey the superior simply because the subordinate believes that the superior 'knows' what is to be done and how it is to be done. Similarly, the computer experts who are designing a computer information system for a company will dictate the design and operations of the system and their expertise power will be accepted.

Similarly, we generally follow our doctor's or our accountants advice and instructions because we believe in their ability and knowledge in those specified areas. Thus if the subordinates view their leaders as competent, they would follow their leaders.

Referent power: It is also known as charismatic power and is based upon the attraction exerted by one individual over another. It is more of a personal nature rather than a positional nature in the sense that this power is not designated or acquired because of a position but because of a position but because of personal 'charisma' so that the 'followers' would like to associate themselves with the 'leaders'. The stronger the association, the stronger is the power. This association means that the subordinate would obey his superior because he wants to behave in the same manner as the superior and the subordinate identifies himself with the superior. This referent power also extends to film stars and celebrities whose followers and fans follow what the celebrities do.

Structural and Situational Bases of Power

The five bases of power that we have discussed relate to interpersonal power that the managers have over their subordinates. In addition, there is another dimension of power. This dimension involves structural and situational sources within the organization and include knowledge as power, resources as power, decision making as power and link with others as power.

Knowledge as power: All organization use information to operate. Thus individuals or groups who possess knowledge critical to the attainment of organizational goals and objectives have power. The correct utilization of information is very important for effective organizational operations. Accordingly, people who are in a position to control the information itself or the flow of information about current operations or future events and plans have enormous power to influence the behaviour of others.

Resources as powers: Resources are the backbone of organizations. They simply cannot survive without the adequate availability of all the necessary resources. These resources include capital, personnel, equipment, raw materials, customers

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and so on. Any person who can provide resources that are critical to the organization acquires such power. Thus, suppliers of monopolized scarce raw materials can dictate their own prices. The old saying that ‘he who has the gold makes the rules’ sums up the idea that resources are power.

Decision-making as power: The authority to make decisions or the ability to influence the decision makers are both sources of power. The decision-making power does not necessarily rest with the final decision maker. Even though the decision maker acts, the real power may be with those who strongly influence the decision maker. For example, when you buy a particular car on the advice of a friend, it is the friend who held the power to buy the car, even if you acted upon it. Similarly, a task force formed to study an issue and give recommendations may not have the power to make the final decision, but the decision maker is more likely to be influenced by the task force recommendations. Thus, the task force holds the decision making power in a subtle way.

6.3 POWER CENTRE IN ORGANIZATION

Mintzberg’s (1983) theory of organizational power is built on the premise that “organizational behaviour is a power game in which various players, called influencers, seek to control the organization’s decisions and actions.” The three basic conditions for the exercise of power are:

- Some source or basis of power coupled with
- The expenditure of energy in a
- Politically skilful way when necessary.

There are five possible bases of power according to Mintzberg: first, control of a resource; second, control of a technical skill; and third, control of a body of knowledge. All these bases are critical to the organization. The fourth basis of power could be legal prerogatives—being given exclusive rights or privileges to impose choices. The fifth basis of power is access to those who have power based on the first four bases. In addition to the bases of power, the influencer must have the will and the skill to use power. There are many potential influencers in and around an organization, such as board of directors, managers, the top executives, the employees, the unions, suppliers, and regulators.

In summary, these four views of the sources of power in organizations are remarkably similar. Power stems from the possession or mediation of desired resources. The resources may vary from the ability to reward and punish, being in control of critical skills, knowledge or information, being able to solve critical problems or exigencies, or anything that creates dependence of one actor or set of actors on another.

The three basic sources of leadership power are role power (the power that goes with the position), personality power (power generated by the force of

the individual), and knowledge power (power that derives from special skills or knowledge).

1. Using Role Power

In most cases, the power attached to a leadership position is more potent than the person who occupies it realizes. For example, the position of the administrative head of a country has great power—no matter who occupies it. To a lesser degree, the same is true for corporate presidents, police chiefs, and other government officials.

Role power is, generally, accepted without question. People, however, do not react well to leaders who abuse power. A boss who betrays his employees' trust will soon find himself without followers. As a leader, one should live with role power comfortably and use it gracefully. It should be recognized but neither overplayed nor underplayed. In this chapter's opening case, Sonam is able to understand her role power effectively and manage it, while Vishal is unable to do so.

2. Using Personality Power

Personality power becomes important in positions of leadership that are inherently weak in role power. When a power personality occupies a power role, we have the possibility of outstanding leadership, provided that both power sources are used effectively. Sonam seems to have a powerful personality while Vishal is not able to exercise his power effectively.

3. Using Knowledge Power

When a leader has special skills and knowledge to back up the leadership role she occupies, an additional source of power is generated. This is knowledge power. People like to be led by those who know the answers. They look up to those with expertise, giving them more authority than they would otherwise possess. Knowledge—real or imagined—is power.

Taking the example from the opening case, Sonam may have answers to most of the questions put across by her subordinates, while Vishal does not have it.

One base of power may affect the value of the others. For instance, those managers who reward subordinates may be well liked and may have substantial referent power. On the other hand, those managers who use coercive methods may be liked less and may have less referent power. Sometimes, an attempt to influence can increase the operation of one power base but may decrease or even negate another. For example, coercion may lead to public compliance but may cause the agent to be disliked and lead to private non-compliance.

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6.4 EFFECTIVE USE OF POWER OR POWER TACTICS

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Power tactics are used by individuals on their own within groups (intragroup) and between groups (intergroup) in order to influence events. Influence can be used in a positive or a negative way. When used positively, we can expect beneficial outcomes. There are different types of power tactics used in organizations. Some of these are discussed in this section:

6.4.1 Individual and Intragroup Strategies

In an empirical study of how managerial employees influence others (including superiors, subordinates, and co-workers) and the conditions under which one tactic is more suitable than other, Kipnis and his colleagues (1984) concluded that seven tactics could be identified.

1. **Assertiveness:** This would entail setting a deadline for others to comply with a request, ordering others to do what they were asked to do, emphasizing the importance of complying with the request, and repeatedly reminding others of their obligation to perform.
2. **Friendliness or ingratiation:** This is designed to make the person favourably disposed to comply with a request. It could amount to flattery by lavishing praise on the person prior to the request, exaggerating the importance of complying with the request, acting in a humble and friendly way when seeking the person's cooperation, and waiting until the person is in a receptive mood before striking.
3. **Rationality:** This amounts to using facts and information in a logical way so that the request for action is seen to be detailed and well prepared. The rationale for the request is given together with a statement of what is required of the person. The originator of the request is portrayed as a competent individual.
4. **Sanctions:** This amounts to the use of coercive power, whereby organizational rewards and punishments are activated—for example, a promise of an increase in salary or a promotion or a threat to give a person an unsatisfactory performance appraisal.
5. **Higher authority:** This consists of efforts to secure support from people further up the organizational hierarchy and could be exemplified by securing the informal support of superiors and others in higher positions.
6. **Bargaining:** This could amount to exchanging favours and benefits through a process of negotiation. Also, the person seeking the favour may remind the other person of benefits that the former has bestowed on her in the past.
7. **Coalition:** This consists of getting help from others in the organization, by building up alliances with subordinates and co-workers. There is strength in

numbers, which is evident when employees join trade unions. Coalitions are more likely to be formed where interdependency exists between organizational units and where broad-based support is necessary for the implementation of decisions.

Kipnis and his colleagues (1984) found that these tactics differed in importance. For example, the most popular tactic was the use of reason, irrespective of whether the influence was going up or down the hierarchy. Table 14.2 shows the tactics, ranging from the most popular to the least popular.

Table 6.1 classifies different influence tactics in terms of their popularity in both the contexts, that is, when managers influence their subordinates and when managers influence their superiors.

For a collection of practical suggestions based on research into managerial influence behaviours, Keys and Case (1990) discuss the tactics most frequently used and those most effective in their impact on supervisors, subordinates, and peers. They outline five steps necessary to develop and maintain managerial influences:

- Develop a reputation as a knowledgeable person or as an expert.
- Balance the time spent in each critical relationship according to the work needs rather than on the basis of habit or social preference.
- Develop a network of resource persons who can be called on for assistance.
- Choose the correct combination of influence tactics for the objective to be achieved and for the target to be influenced.
- Implement influence tactics with sensitivity, flexibility, and adequate levels of communication.

Situational Influences

The choice of a power tactic is influenced by the following situational factors.

Relative power: Managers who control valuable resources or who occupy a position of dominance use a greater variety of tactics when compared to a manager with less power. However, the former shows an inclination to use assertiveness more often than the latter. Assertiveness and directive strategies generally come into play where there is a refusal or a reluctance to comply with a request. In contrast, the manager with less power is more likely not to persevere with trying to influence others when resistance is experienced.

Manager's objectives: Managers attempt to match tactics to objectives in their dealings with both superiors and subordinates. When the objectives are to derive benefits from superiors, there tends to be reliance on friendliness or ingratiation. By contrast, if the objectives are to get a superior to accept new ideas, the most likely tactic is to use reason.

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Table 6.1 Use of Power Tactics**NOTES**

	When Managers Influenced Superiors	When Managers Influenced Subordinates
Most popular	When Managers Influenced Superiors Reason Coalition Friendliness Bargaining Assertiveness Higher authority	When Managers Influenced Subordinates Reason Assertiveness Friendliness Coalition Bargaining Higher authority
Least popular		Sanctions

Source: Adapted from Kipnis, D., S. M. Schmidt, C. Swaffin-Smith and I. Wilkinson (1984). "Patterns of Managerial Influences: Shotgun Managers, Tacticians, and Bystanders", *Organizational Dynamics*, 12 (3): 58–67.

Manager's expectation of success: The degree of success in influencing either superiors or subordinates in the past is a strong determinant of the tactic to be used currently. Where managers have been successful in exerting influence, they are likely to use simple requests to obtain compliance. By contrast, where the success rate is low, they are tempted to use the tactics of assertiveness and sanctions.

Organizational culture: This is one of most important situational variables. For example, some cultures are supportive of a friendly approach, whereas others may favour reason. Apart from organizational culture, ethnic background may also influence the choice of a tactic (Xin and Tusi 1996).

6.4.2 Intergroup Power Tactics

Intergroup power is related to influence and dependence. When one group can exert influence over the other, the former has power over the latter. This power is determined by three factors.

1. **Uncertainty absorption:** Within organizations, there are specialized groups performing a variety of functions, for example, industrial relations, pay, and bargaining. When complex issues arise, the expertise of an appropriate specialist group can be brought to resolve the problems, and in the process, these groups absorb the uncertainty normally associated with such matters. Consequently, the specialist group gains some power over the user of its services.
2. **Substitutability:** In the example just given, if the user of the service can obtain a substitute provider (for example, an external consultant), then the power of the specialist can be reduced or eliminated. However, in practice, it might not be possible to substitute internal providers with external providers where an available internal facility exists.

3. **Integrative importance:** When a group's services—for example, central computing services—are needed to a significant extent by other groups within the organization in order that the latter can function effectively, the provider has a lot of intergroup power. The level of power would be less if the services provided by the group are needed only to a rather limited extent.

As has been discussed earlier, individuals and groups form alliances or coalitions to acquire or enhance a power base. Thompson (1967) has identified some of the cooperative tactics used on occasion by groups in order to expand their power. These are referred to as contracting, co-opting, and coalescing.

Contracting, which does not necessarily culminate in a formal legal agreement, is a tactic arrived at between two or more groups to regulate future actions. For example, a management group not wishing to maintain a confrontational stance with a trade union, which is likely to undermine its position, signs an agreement of cooperation with the union.

Co-opting is a process whereby others are admitted to the membership of a group, in order to avoid threats to the group's stability or survival.

Coalescing comes about when there is a joint venture between two groups. There is strength in pooling resources for the benefit of the organization. This would be particularly beneficial when two groups combine their efforts, rather than engaging in wasteful competition.

Limitations of Power

The limitations of organizational power can be better understood through the concept of power corruption in an organization. Such a condition arises any time an individual or several individuals are given either high degree of power or are not accountable for their power authority or both. This can become troubling for the organizational environment. The limitations of power must be understood in a better manner because unbridled power has the following disadvantages:

- A degradation of decision making process will be witnessed in the organization
- The coercive power will get promoted as an acceptable behaviour in the professional environment
- The general work environment will become negative inviting poor perception of the employees
- The relationship between the management and employees will become strained and distance and not conducive to a healthy work dynamics
- The managers will not be questioned or reprimanded for their unethical and illegal actions.

Check Your Progress

1. Define coercive power.
2. State the factors which determine intergroup power tactics.

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6.5 ANSWERS TO CHECK YOUR PROGRESS QUESTIONS

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1. Coercive power is defined as the use of force to get an employee to follow an instruction or order, where power comes from one's ability to punish the employee for noncompliance.
2. The factors which determine intergroup power tactics are the following:
 - Uncertainty absorption
 - Substitutability
 - Integrative importance

6.6 SUMMARY

- Power differs from authority, in that authority is the right of decision and command and it is legitimate, approved by the organizational structure and is freely accepted by all.
- Power is defined as the 'possibility of imposing one's will on the behaviour of others'.
- Generally, the power attached to a position is more potent than the person who occupies the position. For instance, the position of the president of the United States has great power, no matter who occupies it.
- The two broad types of power in an organizational setting stems from interpersonal sources and structural sources.
- The interpersonal sources of power are reward, coercive, legitimate, expert and referent. The structural sources of power are knowledge, resources and decision-making.
- The three basic sources of leadership power are role power (the power that goes with the position), personality power (power generated by the force of the individual), and knowledge power (power that derives from special skills or knowledge).
- Power tactics are used by individuals on their own within groups (intragroup) and between groups (intergroup) in order to influence events. Influence can be used in a positive or a negative way.
- Intergroup power is related to influence and dependence. When one group can exert influence over the other, the former has power over the latter.

6.7 KEY WORDS

- **Assertiveness:** It is a quality of being self-confident in a way such that one has the potential to speak up for himself in a way that is honest and respectful.
- **Coalition:** It denotes the coming together of individuals or groups/teams for a specific period with the objective of achieving a common goal.
- **Empirical:** It is based on, concerned with, or verifiable by observation or experience rather than theory or pure logic.

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6.8 SELF ASSESSMENT QUESTIONS AND EXERCISES

Short Answer Questions

1. Define organizational power.
2. State the limitations of power.
3. What is power tactic?

Long Answer Questions

1. Discuss the sources of power.
2. Analyse the effective use of power.
3. Explain the basic sources of leadership power.

6.9 FURTHER READINGS

- Robbins, Stephen P. 2010. *Organizational Behaviour*. New Delhi: Prentice Hall.
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UNIT 7 ORGANIZATIONAL POLITICS

NOTES

Structure

- 7.0 Introduction
- 7.1 Objectives
- 7.2 Political Behaviour in Organizations
 - 7.2.1 Factors Creating Political Behaviour
 - 7.2.2 Impact of Organizational Politics
 - 7.2.3 Personality and Political Behaviour
- 7.3 Techniques of Managing Politics in Organizations
- 7.4 Answers to Check Your Progress Questions
- 7.5 Summary
- 7.6 Key Words
- 7.7 Self Assessment Questions and Exercises
- 7.8 Further Readings

7.0 INTRODUCTION

In the previous unit, you studied about the concept of organizational power. This unit will introduce you to the nature, characteristics and sources of power. This unit will also throw light upon effective use of power in organizations. Organizational politics alludes to numerous activities associated with the use of influence tactics to enhance one's personal or organizational interests. Research studied conducted in this area have reflected that individuals with political skills are more adept in gaining personal power as well as in fulfilling job demand and in managing stress. They also contribute significantly in the success of the organization in achieving the targets or meeting deadlines.

7.1 OBJECTIVES

After going through this unit, you will be able to:

- Discuss the existence of political behaviour in organizations
- Explain the techniques of managing politics in organizations
- State the factors creating political behaviour

7.2 POLITICAL BEHAVIOUR IN ORGANIZATIONS

Organisational politics is different from the government-oriented politics in that it emphasises the role of a person in an organisation. Employees have a certain role to perform in every organisation. When this role is exercised to influence others, it

becomes politics. In simple words, politics is the use of power to influence the decision-making process in an organisation. The political system in an organisation influences the behaviour of employees. The political system is decided based on how managers use their power in an organisation. The power using process becomes the political system. The goal and organisational functions are also influenced by a set of political systems or process of the organisation. The disadvantages and advantages of political process are also discussed. For example, leaking out secret information is the disadvantage of the political process. There may be legitimate and illegitimate behaviour. Legitimate behaviour refers to the advantage of a political system. It may be a chain of command, forming coalitions, adherence to rules and regulations. On the contrary, illegitimate political behaviour violates the rules and regulations, e.g. damaging the property, making adverse remarks about the managers.

Definition

Politics in an organisation is a factual reality. An organisation is full of diverse values, goals and interests. There are potential conflicts in every organisation. Resource allocation creates conflicts. Interests, goals and ego conflicts are sources of politics. People try to achieve these points for self-satisfaction, which creates politicking activities. The politicking may be overt and covert. Employees influenced by outsiders' behaviour such as that of a political leader is an example of overt behaviour. The internal factors creating politicking activities are known as covert politics. Apart from the covert and overt factors creating political activities, individual and organisational factors are more important politicking.

7.2.1 Factors Creating Political Behaviour

Individual factors include high march, internal locus of control perceived job designs, expectations and self-monitoring. Personality traits, personal needs and other factors create political behaviour. Employees interested in self-monitoring and high march are engaged in political behaviour. Self-monitors are more sensitive to social cues and thus are skilled in political behaviour. They maintain alliances with powerful people, manipulate information, make a quick showing, avoid decisive engagement and take counsel with caution for power acquisition. Many employees adapt the divide and rule policy, embrace the powerful and demolish the weak and wait, see and then attack policies for acquiring power.

Employees having a higher locus of control can manipulate situations in their favour. Similarly, high machiavellian people can control power in their favour. People interested in power use politics to gain it for self-interest. Expectations of success of any action leads to politicking activities. Persons hoping for success in an organisation resort to illegitimate means to gain power. Scarcity of skilled labour provides more political power even to the person who has scarce knowledge. Experienced and politically sound employees have more opportunities of increasing politics.

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Organisational factors are more effective for creating politicking activities than individual factors because a large number of employees are taken into confidence for any activity. Organisational factors include role, situations and culture of an organisation, resources utilisation, opportunities for promotion, trust, performance evaluation, impression management, defensive behaviour and ethical guidelines.

Role: The role played by cadre people influences the politicking activities because of their differences in opinion. Managers having a strong support create some problems. The differences of role foster politicking functions in an organisation. Role ambiguity of managers has a wide impact on the politics of an organisation because the behaviour of employees is not clear in this case. Visibility and transparency will not create politics whereas their absence provides more chances of politicking activities.

Situation and culture: Certain situations and culture create politics. Cultural differences in an organisation may encourage politicking activities. They may create a low trust, unclear performance and high pressure of work. Culture helps to develop employees and managers.

Resources utilisation: Resource utilisation emphasises the departmental goals for which the departmental heads want maximum resources for their department. This creates politics and some departments are given more favours than others. Employees and managers engage in political actions to safeguard the interests of their respective departments.

Opportunities for promotion: Promotion opportunities invite politics. Competition creates politics. Promotion avenues offer competition. People wish to gain favour by hook or crook and gain promotion. This influences the resultant decision.

Trust: A lack of trust creates politics. Illegitimate tactics are applied to influence the seers and peers. Absolute trust decreases the scope for politics. Trust reduces misunderstanding.

Performance evaluation: The methods of performance evaluation have an impact on politics in an organisation. The time of performance and the delay in appraisal depend on the political system. Subjective evaluation creates politics.

Impression management: Impression management relates to the perception by the employees about the management. Perception benefits both the employees and management. The management has to create an impression by which the employees are influenced. The impression management involves conformity excuses, apologies, acclaiming, flattery, favour, bias, etc. The management should avoid the impression of being insincere and dishonest. Uncertainty and ambiguity should be avoided.

Defensive behaviour: Employees generally avoid action and blame others for any defects. They resort to reactive and protective style to defend their

behaviour. The overaction is avoided by conforming to the roles, policies and precedents. Passing the responsibility to someone else is also exercised. The strategy of helplessness is used for avoiding unwanted tasks. A personalisation is used to avoid certain behaviour. In this case, the persons other than the defaulting persons are treated at fault and reprimanded for behaving properly. Stretching, smoothing and stalling are other techniques of defensive behaviour. Similarly, blame is avoided by buffing, playing safe, justifying, misrepresenting and escalation of commitment. Defensive behaviour includes avoiding change which refers to resisting change.

Avoiding action, blame and change are important components of defensive behaviour. Organisations are very cautious about defensive behaviour because it becomes a liability during the long run. People using defensiveness are unable to resort to any other strategies. They destroy their own capacities. Defensive behaviour is not desirable as it increases interpersonal conflicts, rigidity and stagnation.

Ethical guidelines: Ethical guidelines are used for reducing politicking behaviour. Self-interest is overpowered by organisational interests. Being unethical is an undesirable factor which should be avoided for evading politics. Unethical behaviour is discouraged by the organisation as people are highly politicised by political behaviour.

7.2.2 Impact of Organizational Politics

Though it is virtually impossible to eliminate political behaviour in organizations, it is possible to contain it in such a manner as to limit its dysfunctional consequences. Politics when carried to the extreme can damage morale, create enemies, destroy loyalty, damper cooperative spirit and much time and energy is spent planning attacks and counterattacks which are detrimental to organizational health. Accordingly, combating politics must be undertaken by the top management primarily by such guidelines that would limit political plays. Some of the steps that can be taken for purpose of constraining political activity are summarized as follows:

Positive role model: It is said corruption begins at the top and the lower level people will be corrupt and play politics only when such tactics are accepted or ignored by the top management. Thus, if a manager plays political games, he is conveying a message to his subordinates that such conduct is acceptable. Accordingly, the top management must provide a positive and ethical role model themselves and make it clear to subordinates that such political maneuvering will not be accepted which is detrimental to employee morale and organizational climate.

Open communication: Since political behaviour is a function of control over resources, information and lines of communication, open and honest communication is an effective techniques in constraining the effects of political behaviour. If the lines of communication are open to all and the necessary information is available to all including the information regarding the availability and allocation

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of scarce resources, then it would not be necessary to engage in political behaviour in order to acquire or control these resources.

Reduce uncertainty: Politics seems to be more prevalent when overall purposes and organizational goals are ambiguous and when expectations of subordinates are not clear and when organizational changes are not made known to all. These elements of uncertainty can provide grounds for political play. Thus political behaviour can be limited if such uncertainty can be reduced or eliminated. This can be done by giving well-defined assignments to all employees making it clear to them as to what the management's expectations of the employees are relative to achievement of clearly defined organizational goals. Thus, participative decision making and making all relevant information known to all members of the organization at the appropriate time and helping them integrate their personal objectives with organizational objectives will reduce the necessity of political game play.

Study the political phenomenon: It is important that top management be aware of the psychology and philosophy of political behaviour. Simply being aware of the causes and techniques of political behaviour can minimize their effects. This knowledge could prepare the top management not only in combating political behaviour when it occurs but also in anticipating it and taking appropriate steps to avoid it from occurring. For example, an individual who could oppose such a change. By being aware of such possibility, the management can take steps to stop such a coalition from forming or take appropriate measures to successfully confront such a coalition, should it form.

7.2.3 Personality and Political Behaviour

Just like power arises from both situational (interpersonal) and structural factors, political behaviour too gets affected by such factors. The question which comes here is whether and to what extent the individual is willing to express political behaviour based on his personality. The four major personality traits which affect political behaviour are:

- **Need for power:** This stems from the desire to control and modify the environment and lead others in the organization.
- **Machiavellianism:** This is characterized by individuals having a rather cynical view of the situations, their unbridled use of guile and deceit and disregard for morality, all for manipulating the environment and situation at work place.
- **Locus of control:** Such individuals exercise political power based on their thinking that their own individual behaviour affects, initiates and carry through events.
- **Risk seekers:** Some individuals in expressing their political behaviour simply because they are by nature uncaring of risks and consequences thereof.

7.3 TECHNIQUES OF MANAGING POLITICS IN ORGANIZATIONS

It has been accepted that it is impossible to eliminate political behaviour from organizations, but it is possible to counter the worse effects of political behaviour. Moorhead and Griffin (1998) have identified certain measures to help managers limit the dysfunctional impact of unhealthy politics. These are:

Awareness: The first step in controlling the negative impact of political behaviour is to become aware of the various strategies and tactics of the political behaviours that have been discussed earlier. Awareness of these will help employees take corrective or preventive actions in situations of politicking in organizations and manage such situations more effectively.

Reduction of uncertainty: Uncertainty or ambiguity regarding work, procedures, and activities stalls our performance. Therefore, the factors which cause these, both internal and external, should be managed properly. The process of organizational change and development results in uncertainty, and so it becomes important for change agents to help unravel the ambiguities in the situation. If they remain silent, they give room for rumour-mongering and inciting speculation. A more detailed description of this process has been discussed in the chapter on organizational change.

Open communication: If managers or employees are open about the scarcity of resources and the basis for their allocation in the organization, a lot of political maneuvering can be avoided. No individual in the organization should be given the right to control the information or manage the lines of communication. Relevant information should be available to all members of the organization.

Vecchio (1995) has offered a list of other actions to combat the impact of dysfunctional political behaviours in organizations. These include:

Confrontation: Confronting people who play political games in organizations is an effective way of handling such actions. An individual who indulges in dysfunctional political activities has to be directly confronted by an acceptable authority so that such actions are not condoned.

Clear job assignments: A lot of political actions arise because of lack of clarity. Giving clear instruction about the job description and responsibilities with well-defined and discrete assignments will remove the potential for ambiguity.

Eliminating coalitions: Formation of coalitions and cliques are detrimental to effective work performance in organizations and can be avoided by transfers and dismissals. Individuals in organizations can be rotated from one job to another so that they are not able to form any permanent association in the organization; rotation of tasks also helps in enriching their experiences at different jobs.

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Setting an example: Managers should act as a role model for their subordinates by supporting and encouraging truth, fairness, and justice in the organization. An equitable treatment given to employees tends to reduce the scope for unhealthy political behaviours.

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Check Your Progress

1. Name the organizational factors creating political behaviour in organizations.
2. Define covert politics.

7.4 ANSWERS TO CHECK YOUR PROGRESS QUESTIONS

1. Organizational factors include creating political behaviour in organizations role, situations and culture of an organization, resources utilization, opportunities for promotion, trust, performance evaluation, impression management, defensive behaviour and ethical guidelines.
2. The internal factors creating politicking activities are known as covert politics.

7.5 SUMMARY

- Organizational politics is different from the government-oriented politics in that it emphasizes the role of a person in an organization. Employees have a certain role to perform in every organization.
- Politics in an organization is a factual reality. An organization is full of diverse values, goals and interests.
- Apart from the covert and overt factors creating political activities, individual and organizational factors are more important politicking.
- Individual factors include high march, internal locus of control perceived job designs, expectations and self-monitoring. Personality traits, personal needs and other factors create political behaviour.
- Organizational factors are more effective for creating politicking activities than individual factors because a large number of employees are taken into confidence for any activity.
- Politics when carried to the extreme can damage morale, create enemies, destroy loyalty, damper cooperative spirit and much time and energy is spent planning attacks and counterattacks which are detrimental to organizational health.
- Politics seems to be more prevalent when overall purposes and organizational goals are ambiguous and when expectations of subordinates are not clear and when organizational changes are not made known to all.

- It has been accepted that it is impossible to eliminate political behaviour from organizations, but it is possible to counter the worse effects of political behaviour.
- Formation of coalitions and cliques are detrimental to effective work performance in organizations and can be avoided by transfers and dismissals.

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7.6 KEY WORDS

- **Politics:** It is the use of power to influence the decision-making process in an organization.
- **Culture:** It refers to the ideas, customs, and social behaviour of a particular people or society.
- **Open communication:** It refers to transparent communication which takes place between employees and the managers of an organization.

7.7 SELF ASSESSMENT QUESTIONS AND EXERCISES

Short Answer Questions

1. Define organizational politics.
2. State the factors creating political behaviour in organizations.
3. How does personality influence political behaviour in organizations?

Long Answer Questions

1. Analyse the impact of organizational politics.
2. What are the techniques of managing politics in organizations?
3. Differentiate between organizational politics and government-oriented politics.

7.8 FURTHER READINGS

- Robbins, Stephen P. 2010. *Organizational Behaviour*. New Delhi: Prentice Hall.
- Davis, Keith. 2010. *Organizational Behavior: Human Behavior at Work*. New York: McGraw Hill.
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UNIT 8 ORGANIZATIONAL CONFLICT MANAGEMENT

NOTES

Structure

- 8.0 Introduction
- 8.1 Objectives
- 8.2 Stress Management
 - 8.2.1 Types of Consequences and Sources of Stress
 - 8.2.2 Strategies for Managing Stress
- 8.3 Organizational Conflict
 - 8.3.1 Constructive and Destructive Conflict
- 8.4 Conflict Process
 - 8.4.1 Strategies for Encouraging Constructive Conflict
- 8.5 Strategies for Resolving Destructive Conflict
- 8.6 Answers to Check Your Progress Questions
- 8.7 Summary
- 8.8 Key Words
- 8.9 Self Assessment Questions and Exercises
- 8.10 Further Readings

8.0 INTRODUCTION

In the previous unit, you studied about the concept of organizational politics. This unit will introduce you to the concept of organizational conflict management wherein you will study about stress management, constructive and destructive conflict, conflict process, strategies for encouraging constructive conflict and strategies for resolving destructive conflict.

8.1 OBJECTIVES

After going through this unit, you will be able to:

- Explain stress management
- Define organizational conflict
- Describe the conflict process
- Analyse the strategies for encouraging constructive conflict
- Identify the strategies for resolving destructive conflict

8.2 STRESS MANAGEMENT

When confronted with an uncomfortable situation like appearing for an interview, giving a formal speech, missing a deadline or ending of an important relationship,

different people will have different feelings and reactions—some negative and some positive. Stress refers to the body's physiological, emotional, and psychological responses to an individual's well-being. When the response is in the form of a deviation from healthy functioning, the state is called *distress* (Quick et al. 1997). The reaction which activates and motivates people to achieve their goals, change their environment, and face life's challenges is called *eustress*. In other words, this is the stress that is required for survival. However, most research focuses on distress because it is a significant concern in the organizational setting (Sauter and Murphy 1995).

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8.2.1 Types of Consequences and Sources of Stress

Stress at the organizational level can emanate from different factors. A few of these are discussed in this section.

Task demands: Stress from the task demand emerges from changes enforced on employees. Change often brings in uncertainty and unpredictability. Change emerges from changes in the economic condition, technology, leadership, and structure. Any kind of change requires adjustments from the employees. If one is not able to respond to these changes effectively, it adds on to the level of stress.

Role demands: Certain negative characteristics of a person's role at work can increase the likelihood of his experiencing stress. Job role demands include high work loads, idle period of time, job ambiguity, and conflicting performance expectations. Sona Khanna is a fine example of how excessive demands at work can stress out employees. A shift in-charge in an electronics plant, Sona is stressed out by frequent emergencies and conflicts at work. She hardly has any authority to match her responsibility. A medical examination after she fainted at work revealed that she was suffering from high blood pressure. Stress caused by the excessive demands at work had started affecting her health.

Overload: When there is an expectation from the organization to accomplish more than the ability of the person, it results in work overload. It has been found that for top- and middle-level managers, unreasonable deadlines and constant pressure are the frequent stressors in their jobs (Zemke 1991). Quantitative overload exists when people are requested to do more work than they can comfortably do in the allocated time, and qualitative overload happens when the job requires them to perform beyond their levels of competence and skills.

Underload: Most people wish to remain occupied and face optimum challenges while performing their jobs. Work underload occurs when people have insufficient work to fill their time or are not allowed to use enough of their skills and abilities. Employees who are underloaded often feel bored, weary, are prone to injury, and frequently absent from work. Machine-based assembly lines are an example of such a work environment. Operating nuclear power plants involves periods of boredom that must be endured simultaneously with sufficient alertness to respond to potential emergencies. Awareness of the costs of an ineffective response to an emergency makes these jobs all the more stressful (Cooper 1987).

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Role conflict: Role conflict exists when job functions contains duties or responsibilities that conflict with one another. It is most commonly found among middle managers, who find themselves caught between top-level management and lower-level managers (Giordano et al. 1979). A typical example of a role conflict would be when an employee has to decide between the demands made by the boss to put in extra effort while doing the job or a demand made by the colleagues to restrain one's effort while doing the job. Sometimes, role conflict is also experienced when one has to act contrary to one's own belief and value system; for example, when an individual is expected to take unethical or illegal decisions to safeguard the interests of the organization at the cost of his own principles and beliefs.

Role conflict brings about increased tension and reduced satisfaction to the person concerned. In addition, it also destroys the level of trust and respect between the two parties concerned, especially the one who is exerting conflicting role pressures on the role incumbent. The results of this in the form of decreased morale and social and psychological pressure can prove to be very costly for the person and the organization.

Physical demands: The physical demands of the workplace can also have a devastating impact on the mental and physical health of the employees. Poor working conditions in the form of extreme temperatures, loud noises, too much or too little lighting, radiation, and air pollutants are some examples of working conditions that can take a toll on employees. The first impact of these factors is on job performance, which starts deteriorating. High travel demands or long-distance commuting, excessive travel, and long hours all add up to increased stress and reduced performance. In addition to this, advancements in technology which provides immense relief and efficiency to people who are proficient at it can cause damage and stress to those who are averse to it.

With the increase in the number of call centres and business process outsourcing firms (BPOs) in the business environment, the threat of physical demands on employees has increased in intensity and can be the cause of stress-related disorders if not checked immediately.

Career development: One of the major sources of stress in organizations today is the aspiration level of employees. The issues related to career planning and development such as job security, promotions, transfers and other developmental processes like under-promotion (failure to grow in the job as per the aspiration levels) or over-promotions (promotion to a job that exceeds the competency levels of employees) can create high anxiety and stress among the persons concerned. Whenever any change is introduced in the organization, employees are concerned about its effects on their future. The employees experience many career-related concerns such as, "Will I be able to contribute effectively in the new job? Is there a possibility of growth? Is the new job secure?" These concerns are the main sources of stress among them.

Organizational politics: Each and every employee of the organization is a part of a formal or an informal group or team. Good working relationship with peers, subordinates, and superiors is very crucial for the successful performance of the organization and also to help employees to achieve their personal and organizational goals. The disregard for each other in the organization results in rude behaviour and becomes a cause for stress. A high level of political behaviour or office politics can also be a source of stress for managers and employees. A by-product of power struggles within an organization is heightened competition and increased stress for participants. Managers who are caught up in power games and political alliances also pass on pressure to subordinates (Matteson and Ivancevich 1987).

Aggressive behaviour: A very common form of aggressive behaviour in organizations is observed in the form of violence and sexual harassment. Aggressive behaviour that intentionally threatens or causes physical harm to other employees has been defined as workplace violence. It has been found to be one of the major sources of stress in firms (Atkinson 2001).

Sexual harassment is unwanted contact or communication of a sexual nature (Mink 2000). Today, with more number of women employees entering the corporate world, this issue has become very pertinent and has to be dealt with in right ways (see Box 7.2). Management, therefore, has a strong responsibility to prevent sexual harassment from happening in organizations. If at all it occurs, it has to be dealt with quickly and firmly. Ignoring genuine complaints can prove to be costly. Mitsubishi had to pay \$34 million to 350 female workers at its Illinois plant because it repeatedly ignored their complaints about a sexually hostile working environment. Infosys had to make a \$3 million payout to settle a sexual harassment case filed against it and its former director, Phaneesh Murthy.

Environmental Factors

The environment in which the organizations operate has a profound impact on their working. The economic, political, and technological events happening in the external environment cause stress in varying degrees as they have many uncertainties associated with them. The anxiety aroused by uncertain environmental factors carries over into the workplace and then to our personal lives. Some of these factors are included here.

Economic uncertainty: Downsizing, rightsizing, retrenchment, restructuring, etc. are all done in the name of efficiency and cost reduction to improve profitability. The employees who are made redundant as a result of these exercises are forced to look for other means of sustenance. With the regulatory announcement made by the government, organizations are left to find ways to manage these uncertainties which can cause anxiety and stress both for the employer and the employees.

Technological changes: Advancements in technology in the form of automation, computerization, and robotics has contributed immensely to the productivity and profitability of organizations. However, it also has caused displacement of skilled

NOTES

NOTES

workers who have to now unlearn and learn new skills to match up with the expectations of the organization. The knowledge of advanced technology also creates a disparity between the new breed of workers and the old masters of the game. Older employees are generally resistant to learning necessary technical skills and competing against the younger employees who are proficient in them. This gap creates a feeling of negativity and antagonism between the two breeds of workers, thereby generating stress.

Political uncertainty: Political disturbance in the external environment has tremendous impact on the working of business organizations. The philosophies, policies, and the systems approved by the political party which is in power determine the ways organizations have to operate. This is more visible in government-funded organizations like aerospace, defence, and science and technology. Even unemployed persons can feel stressed out about political uncertainties as they might affect their social security and welfare.

8.2.2 Strategies for Managing Stress

Stress is an aspect of our life that cannot be avoided. Since it cannot be eliminated completely, one needs to understand the techniques and strategies to control its effects and thereby enjoy more productive, satisfying lives both at the workplace and away from the workplace. Since the source of stress lies both at the individual level and at the organizational level, the techniques to control the negative impact of stress have to be identified both at the individual and at the organizational level.

The management of stress consists of the following three-step process:

1. **Awareness:** The first step towards managing stress is to be aware of the symptoms of stress, specially the negative ones. Some of the consequences of stress in terms of physiological, psychological, and behavioural consequences have been discussed earlier.
2. **Identifying the source:** Once the symptoms are palpable, the second step is to diagnose the source of the factors that lead to stress.
3. **Coping with stress:** After diagnosing the stressors, one needs to develop strategies to cope with them. Stressors can be dealt with in two ways: one is by directly removing or changing them and secondly, by helping individuals modify or manage their emotional feelings and reactions in constructive ways (Folkman and Lazarus 1988).

8.3 ORGANIZATIONAL CONFLICT

The concept of conflict, being an outcome of behaviours, is an integral part of human life. Wherever there is interaction, there is conflict. Conflict can be defined in many ways and can be considered as an expression of hostility, negative attitudes, antagonism, aggression, rivalry and misunderstanding. It is also associated with

situations that involve contradictory or irreconcilable interests between two opposing groups. It can be defined as a disagreement between two or more individuals or groups, with each individual or group trying to gain acceptance of its view or objectives over others.

Conflict must be distinguished from competition, even though sometimes intense competition leads to conflict. Competition is directed towards obtaining a goal and one group does not interfere with the efforts of another group while conflict is directed against another group and actions are taken to frustrate the other group's actions towards goal achievement.

8.3.1 Constructive and Destructive Conflict

Since conflict has both positive and negative connotations and consequences, it must be looked into and managed for useful purposes. The management must survey the situation to decide whether to stimulate conflict or to resolve it. Thomas and Schmidt have reported that managers spend up to twenty per cent of their time in dealing with conflict situations. Hence, it is very important that managers understand the type of conflict that they have to deal with so that they can devise some standardised techniques in dealing with common characteristics of conflicts in each type of category. There are five basic types of conflicts. These are:

Conflict within the individual: The conflict within the individual is usually value related, where the role playing expected of the individual does not conform with the values and beliefs held by the individual. For example, a secretary may have to lie on instructions that her boss is not in the office to avoid an unwanted visitor or an unwanted telephone call. This may cause a conflict within the mind of the secretary who may have developed an ethic of telling the truth. Similarly, many Indians who are vegetarians and visit America and find it very hard to remain vegetarians, may question the necessity of the vegetarian philosophy, thus causing a conflict in their minds.

In addition to these value conflicts, a person may have a role conflict. For example, a telephone operator may be advised and required to be polite to the customers by her supervisor who may also complain that she is spending too much time with her customers. This would cause a role conflict in her mind. Similarly, a policeman may be invited to his brother's wedding where he may find that some guests are using drugs which is against the law. It may cause conflict in his mind as to which role he should play—of a brother or of a policeman. Conflict within an individual can also arise when a person has to choose between two equally desirable alternatives or between two equally undesirable goals.

Interpersonal conflict: Interpersonal conflict involves conflict between two or more individuals and is probably the most common and most recognised conflict. This may involve conflict between two managers who are competing for limited capital and manpower resources. For example, interpersonal conflicts can develop when there are three equally deserving professors and they are all up for

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promotion, but only one of them can be promoted because of budget and positional constraints. This conflict can become further acute when the scarce resources cannot be shared and must be obtained.

Another type of interpersonal conflict can relate to disagreements over goals and objectives of the organization. For example, some members of a board of a school may want to offer courses in sex education while others may find this proposal morally offensive thus causing conflict. Similarly, a college or a university may have a policy of quality education so that only top quality students are admitted while some members of the organizational board may propose 'open admissions' policy where all high schools graduates should be considered for admission. Such a situation can cause conflict among members of the governing board. In addition to conflicts over the nature and substance of goals and objectives, they can also arise over the means to reach these goals. For example, two marketing managers may argue as to which promotional methods would result in higher sales. These conflicts become highlighted when they are based upon opinions rather than facts. Facts are generally indisputable resulting in agreements. Opinions are highly personal and subjective and may provide for criticism and disagreements.

These conflicts are often the results of personality clashes. People with widely differing characteristics and attitudes are bound to have views and aims that are inconsistent with the views and aims of others.

Conflict between the individual and the group: As we have discussed before, all formal groups as well as informal groups have established certain norms of behaviour and operational standards that all members are expected to adhere to. The individual may want to remain within the group for social needs but may disagree with the group methods. For example, in some restaurants, all tips are shared by all the waiters and waitresses. Some particular waitress who may be overly polite and efficient may feel that she deserves more, thus causing a conflict within the group. Similarly, if a group is going on strike for some reason, some members may not agree with these reasons or simply may not be able to afford to go on strike, thus causing conflict with the group.

This conflict may also be between the manager and a group of subordinates or between the leader and the followers. A manager may take a disciplinary action against a member of the group, causing conflict that may result in reduced productivity. 'Mutiny on the Bounty' is a classic example of rebellion of the crew of the ship against the leader, based upon the treatment the crew received. The conflict among the armed forces is taken so seriously that the army must obey their commander even if the command is wrong and in conflict with what others believe in.

Intergroup conflict: An organization is an interlocking network of groups, departments, sections and work teams. These conflicts are not so much personal in nature, as they are due to factors inherent in the organizational structure. For example, there is active and continuous conflict between the union and the

management. One of the most common, unfortunate and highlighted conflict is between line and staff. The line managers may resent their dependence on staff for information and recommendations. The staff may resent their inability to directly implement their own decisions and recommendations. This interdependence causes conflict. These conflicts that are caused by task interdependencies require that the relationship between interdependent units be redefined, wherever the values of these interdependent factors change, otherwise these conflicts will become further pronounced.

These inter-unit conflicts can also be caused by inconsistent rewards and differing performance criteria for different units and groups. For example, salesmen who depend upon their commission as a reward for their efforts may promise their customers certain quantity of the product and delivery times that the manufacturing department may find it impossible to meet, causing conflict between the two units.

Different functional groups within the organization may come into conflict with each other because of their different specific objectives. There are some fundamental differences among different units of the organization both in the structure and the process and thus each unit develops its own organizational sub-culture. These sub-cultures, according to Lawrence and Lorsch differ in terms of: (a) goal orientation that can be highly specific for production but highly fluid for Research and Development, (b) time orientation that is short run for sales and long run for research, (c) formality of structure that is highly informal in research and highly formal in production and (d) supervisory style that may be more democratic in one area as compared to another.

A classic example of inter-unit conflict is between sales and production, as discussed earlier. The sales department is typically customer-oriented and wants to maintain high inventories for filling orders as they are received, which is a costly option as against the production department that is strongly concerned about cost effectiveness requiring as little inventory of finished product at hand as possible.

Similarly, inter-group conflict may arise between day shift workers and night shift workers who might blame each other for anything that goes wrong from missing tools to maintenance problems.

Inter-organizational conflict: Conflict also occurs between organizations that in some way are dependent on each other. This conflict may be between buyer organizations and the supplier organizations about quantity, quality and delivery times of raw materials and other policy issues, between unions and organizations employing their members, between government agencies that regulate certain organizations and the organizations that are affected by them. These conflicts must be adequately resolved or managed properly for the benefit of both types of organizations.

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8.4 CONFLICT PROCESS

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The earlier traditional view of conflict considered it harmful, destructive and unnecessary. This view was consistent with the attitudes that prevailed about group behaviour and interaction during 1930s and 1940s. The existence of conflict was regarded as a sign that something had gone wrong and it needed to be corrected. The view held that conflict is to be avoided at all costs. Both the scientific management approach and the administrative school of management relied heavily on developing such organizational structures that would specify tasks, rules, regulations, procedures and authority relationships so that if a conflict develops then these built-in rules and regulations would identify and correct problems of such conflict. It was believed that the existence of conflict reflected poor management and the deliberate efforts of trouble makers. Thus through proper management techniques and attention to the causes of conflict, it could be eliminated and organizational performance improved. The Human Relations school subscribed to a similar theory that conflict is avoidable by creating an environment of goodwill and trust. Since organizational conflict involves disagreements on such factors as allocation of resources, nature of goals and objectives, organizational policies and procedures, nature of assignments and distribution of rewards, this conflict at its worst can lead to unnecessary stress, blockage in communication, lack of cooperation, increased sense of distrust and suspicion and this results in reduced organizational effectiveness. Accordingly, management has always been concerned with avoiding conflict if possible and resolving it soon if it occurs.

In recent years however, management scholars have shifted their view of conflict. This view is known as behavioural view and it proposes that because people differ in their attitudes, values and goals, conflict is but a natural outcome in any group of people and that it can be helpful and constructive if it is handled properly. The more modern view of conflict holds that conflict may in fact, under certain situations, be necessary for performance effectiveness, because harmonious, peaceful and cooperative groups can become static and such level of conflict that keeps the group alive, self critical and creative is desirable and management is usually encouraged to maintain such level of conflict. This is specially true in such organizations as Research and Development, advertising agencies, public policy groups and so on.

Consequences

Some of the positive consequences of conflict are:

- **It helps in analytical thinking:** Conflict may induce challenge to such views, opinions, rules, policies, goals and plans that would require a critical analysis in order to justify these as they are or make such changes that may be required, As H.M. Carlisle puts it, 'no situation is more detrimental to an organization than letting poor decisions go unchallenged.'

- **It helps in increased cohesion:** Conflict between different organizations develops loyalty and cohesion within an organization and it develops a greater sense of group identity in order to compete with outsiders. It fosters in dedication and commitment to organizational and group goals.
- **Conflict promotes competition and hence it results in increased efforts:** Some individuals are highly motivated by conflict and severe competition. For example, a professor who is turned down for a promotion due to conflict within the division may work harder to prove that he is more capable and deserves a promotion. Similarly, if a group of production workers during the day shift finds out that the similar group at night shift produced more, it would result in the improved performance for the day shift also. Thus such conflict and competition leads to high level of effort and output.
- **It serves as a foundation for organizational development:** Conflict with the status quo is a pre-requisite to change. Creative and innovative people are always looking for grounds to challenge the status quo. These challenges lead to search for alternatives to existing patterns that leads to organizational change and development.
- **Conflict when expressed can clear the air and reduce tension:** Some disagreements if unexpressed, can lead to imaginative distortions of truth, sense of frustration and tension, high mental exaggerations and biased opinions resulting in fear and distrust. However, when it is expressed, it may show the cause of conflict to be a minor one resulting in cooperation and compromise.

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8.4.1 Strategies for Encouraging Constructive Conflict

It has been pointed out earlier that under certain circumstances, conflict is necessary and desirable in order to create changes and challenges within the organization. In such situations the management would adopt a policy of conflict stimulation so that it encourages involvement and innovation. How does the manager recognise a situation that is vulnerable to conflict stimulation? Some of the factors for creating conflict are: too much satisfaction with the status quo, low rate of employee turnover, shortage of new ideas, strong resistance to change, friendly relations taking precedence over organizational goals and excessive efforts at avoiding conflict. Some of the ways of stimulating conflict as suggested by S.P. Robbins are:

Appoint managers who support change: Some highly authoritative managers are very conservative in their outlook and tend to suppress opposing viewpoints. Accordingly, change-oriented managers should be selected and placed in such positions that encourage innovation and change from the status quo.

Encourage competition: Competition, if managed properly can enhance conflict which would be beneficial to the organization. Such competition can be created by tying incentives to performance, recognition of efforts, bonuses for

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higher performance and status enhancement. Such competition and conflict would result in new ideas regarding improving productivity.

Manipulate scarcity: Let the various individuals and groups compete for scarce resources. This would cause conflict and make the individuals and groups do their best in order to fully utilise such resources. For example, one company president felt that the budget allocations to various departments did not reflect changing priorities and accordingly, a zero-based budget system was introduced so that each department had to justify its current budget regardless of the past allocations. This created fierce competition and conflict and resulted in changes in funds allocation that were beneficial to the organization.

Play on status differences: Sometimes, ignoring the senior staff members and giving visible responsibilities to junior members makes the senior staff work harder to prove that they are better than the junior staff members. In one business school, the dean appointed a low-status assistant professor in charge of the curriculum. The senior professors resented having to answer to the junior professor. This caused conflict and in order to assert their superiority, the full professors initiated a series of changes that revitalised the entire MBA programme.

Interpersonal Trust Building

While there are a number of behavioural as well as organizational factors, as discussed before, that contribute to the existence of conflict, there may be just one single factor that may be highly contributory to reducing that conflict. This factor is 'trust'. Trust is, highly intangible element but very important in our civilized living. Its presence or absence can govern our inter-personal behaviour to large extent. Our ability to trust has a great impact on our working lives, our family interactions and our achievement of personal and organizational goals.

Since trust is a function of behaviour, such behaviours that lead to defensiveness must be identified and modified. These defensive or aggressive behaviours create a climate that is conducive to mistrust thus leading to conflict in interpersonal areas. Jack Gibb has identified certain behaviours that he calls 'aggressive' behaviours that should be avoided and certain behaviours which he calls 'supportive' behaviours that tend to reduce defensiveness and conflict and should be promoted.

Dr. John K. Stout of the university of Scranton, writing in *Supervisory Management* (February 1984), suggests that these behaviours are not necessarily mutually exclusive, nor should all the aggressive behaviours be avoided under all circumstances, but in general the supportive behaviour attitudes should be adopted as much as possible. These behaviours are briefly described as follows:

8.5 STRATEGIES FOR RESOLVING DESTRUCTIVE CONFLICT

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Conflict resolution is a method of solving a social conflict peacefully. Many times, group members try to resolve their conflicts and disputes by communicating information to the rest of the group regarding the conflict through their intentions and reasons for having such beliefs. It has also been seen that negotiation is an important aspect of conflict resolution. Apart from negotiation there are other methods also which are employed to resolve conflict, such as mediation, diplomacy, etc.

The concept of conflict resolution has been used interchangeably from time to time with dispute resolution where legal process is involved. Conflict resolution on the other hand uses non-violent techniques in order to achieve effective resolution.

Dual Model of Conflict Resolution

This aspect of conflict resolution deals with an individual's preference to deal with a conflict. This is based on two dimensions:

- (i) Assertiveness or a concern for one self.
- (ii) Empathy or concern for others.

According to this method, group members in an organization try to achieve a fine balance between satisfying their personal needs and concern for satisfying the needs for others. This leads to a middle path where an individual develops a style for conflict resolution based on his choices. This can be explained in the following strategies or styles which an individual follows to resolve conflict. They are as follows:

Avoidance conflict style: This style is characterized by passivity or inaction as the individual has minimal concern about his or her interest or the interest of his group members. In case of a conflict, these individuals remain passive and wait for the conflict to phase out, which in the long run might lead to the conflict to aggravate and become out of control.

Yielding conflict style: In this style an individual has an increased concern for others and the least concern for themselves. In this type of resolution style, the individual gains personal satisfaction from meeting the needs of others. It is important for these individuals to maintain stable and cordial social relationships. It has been seen that in yielding conflict style, an individual tends to give into the demands of others out of respect for the relationship they share.

Competitive conflict style: In this the individual is more concerned about his interest. This style maximizes individual assertiveness. Members of such groups

NOTES

enjoy dominating others and see conflict as a 'win or lose' situation. These individuals generally force others to accept their personal views by employing power tactics such as arguing, insulting, accusing, etc.

Cooperation conflict style: In this type of conflict resolution style, the individual is concerned for personal as well as other group member's interest. In this style of conflict resolution, an effort is made to amicably solve conflict in order to satisfy both parties in the conflict. This type of individual can be characterized as to being both assertive and empathetic at the same time. These individuals see conflict as an opportunity for growth and are thus willing to invest time and resources to find a "win-win" solution.

Conciliation conflict style: This type of conflict style is of a compromising nature. This style is typical of individuals who are concerned for both personal and other members' interest. The resolution in this case is a result of a give-and-take interaction. These individuals value fairness and therefore accept some demands put forth by others. This conflict resolution style is considered to be an extension of yielding and cooperative styles.

Except in very few situations where the conflict can lead to competition and creativity so that in such situations the conflict can be encouraged, in all other cases where conflict is destructive in nature, it should be resolved as soon as it has developed and all efforts should be made to prevent it from developing.

Preventing Conflict

Some of the preventive measures that the management can take, according to Schein are:

Goal structure: Goals should be clearly defined and the role and contribution of each unit towards the organizational goal must be clearly identified. All units and the individuals in these units must be aware of the importance of their role and such importance must be fully recognised.

Rewards system: The compensation system should be such that it does not create individual competition or conflict within the unit. It should be appropriate and proportionate to the group efforts and reflect the degree of interdependence among units where necessary.

Trust and communication: The greater the trust among the members of the unit, the more honest and open the communication among them would be. Individuals and units should be encouraged to communicate openly with each other so that they can all understand each other, understand each other's problems and help each other when necessary.

Coordination: Coordination is the next step to communication. Properly coordinated activities reduce conflict. Wherever there are problems in coordination, a special liaison office should be established to assist such coordination.

Resolving Behavioural Conflict

Various researchers have identified five primary strategies for dealing with and reducing the impact of behavioural conflict. Even though different authors have given different terminology to describe these strategies, the basic content and approach of these strategies remain the same. These are:

Ignoring the conflict: In certain situations, it may be advisable to take a passive role and avoid it all together. From the manager's point of view, it may be specially necessary when getting involved in a situation would provoke further controversy or when conflict is so trivial in nature that it would not be worth the manager's time to get involved and try to solve it. It could also be that the conflict is so fundamental to the position of the parties involved that it may be best either to leave it to them to solve it or to let events take their own course. The parties involved in the conflict may themselves prefer to avoid conflict, specially if they are emotionally upset by the tension it causes. Thus, people may try to get away from conflict causing situations.

Smoothing: Smoothing simply means covering up the conflict by appealing for the need for unity rather than addressing the issue of conflict itself. An individual with internal conflict may try to 'count his blessings' and forget about the conflict. If two parties have a conflict within the organization, the supervisor may try to calm things down by being understanding and supportive to both parties and appealing to them for cooperation. The supervisor does not ignore or withdraw from the conflict nor does he try to address and solve the conflict but expresses hope that 'everything will work out for the best of all.' Since the problem is never addressed, the emotions may build up further and suddenly explode. Thus, smoothing provides only a temporary solution and conflict may resurface again in the course of time. Smoothing is a more sensitive approach than avoiding in that as long as the parties agree that not showing conflict has more benefits than showing conflict, then such conflict can be avoided.

Compromising: A compromise in the conflict is reached by balancing the demands of the conflicting parties and bargaining in a 'give and take' position to reach a solution. Each party gives up something and also gains something. The technique of conflict resolution is very common in negotiations between the labour unions and management. It has become customary for the union to ask for more than what they are willing to accept and for management to offer less than what they are willing to give in the initial stages. Then through the process of negotiating and bargaining, mostly in the presence of arbitrators, they reach a solution by compromising. This type of compromise is known as integrative bargaining in which both sides win in a way.

Compromising is a useful technique, particularly when two parties have relatively equal power, thus no party can force its viewpoint on the other and the only solution is to compromise. It is also useful when there are time constraints. If

NOTES

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the problems are complex and many faceted, and the time is limited to solve them, it might be in the interest of conflicting parties to reach a compromise.

Forcing: As Webber puts it, 'the simplest conceivable resolution is the elimination of the other party—to force opponents to flee and give up the fight—or slay them.' This is a technique of domination where the dominator has the power and authority to enforce his own views over the opposing conflicting party. This technique is potentially effective in situations such as a president of a company firing a manager because he is considered to be a trouble-maker and conflict creator. This technique always ends up in one party being a loser and the other party being a clear winner. Many professors in colleges and universities have lost promotions and tenured reappointments because they could not get along well with their respective chairpersons of the departments and had conflicts with them. This approach causes resentment and hostility and can backfire. Accordingly, management must look for better alternatives, if these become available.

Problem-solving: This technique involves 'confronting the conflict' in order to seek the best solution to the problem. This approach objectively assumes that in all organizations, no matter how well they are managed, there will be difference of opinions that must be resolved through discussions and respect for differing viewpoints. In general, this technique is very useful in resolving conflicts arising out of semantic misunderstandings. It is not so effective in resolving non-communicative types of conflicts such as those that are based on differing value systems, where it may even intensify differences and disagreements. In the long run, however, it is better to solve conflicts and take such preventive measures that would reduce the likelihood of such conflicts surfacing again.

Resolving Structural Based Conflicts

The structural based conflicts are built around organizational environments and can be resolved or prevented by redesigning organizational structure and work-flow. A general strategy would be to move towards as much decentralization as possible so that most of the disputes can be settled at the lower levels in the organization, and faster too.

Since interdependency is one of the major causes of conflict, it is necessary to identify and clarify poorly defined and poorly arranged interdependencies or to make these adequately understood and reliable. This can be achieved through unifying the work-flow. This work-flow can be designed either to increase the interdependencies or to eliminate them entirely. Increased interdependencies can be achieved through more frequent contacts and improved coordinating mechanisms. This would make the two interdependent units act as a single unit thus eliminating the cause of conflict. The other extreme could be to make the two units totally independent of one another. For example, in the case of units building an automobile engine, instead of an assembly line operation in which each person or unit is involved in sequential assembly so that each unit depends upon the work

of the previous units, each major unit can work on the entire engine at the same time.

However these extremes are not in common practice. More often, the strategy would be to reduce the interdependence between individuals or groups. A common approach to do that is by 'buffering'. Buffering requires that sufficient inventories be kept on hand between interrelated units so that they always have the materials to work with thus reducing their interdependency. Another cause of conflict, is the undefined, unclear and ambiguous job expectation. It is important to clarify what each individual and each subunit is expected to accomplish. This would include authority-responsibility relationship and a clear line of hierarchy. In addition, policies, procedures and rules should be clearly established and all communication channels must be kept open so that each person knows exactly what role he has to play in the hierarchical structure. This would avoid situations in which none of the two units does the job because each thought the other was supposed to do or both units do the same job thus duplicating efforts due to misunderstanding. Thus, if each subordinate is fully aware of his responsibility, then such problems would not occur.

NOTES

How to solve conflict arising due to competition for scarce resources? Conflicts will occur whenever the wants and needs of two or more parties are greater than the sum of the firm's resources available for allocation. These resources may be in the form of a pay raise, promotion, office space, office equipment and so on. This conflict can be reduced by planning ahead about the proper distribution of such resources, instead of making haphazard and last minute allocations.

The conflict between different departments may be managed by establishing liaison. Liaison officers are those who are neutral in their outlook and are sympathetic to both parties and kind of 'speak the language' of both groups. They do not have a vested interest in any of these groups. According to studies conducted by Sykes and Bates, it was shown that in one company where there was evident conflict between sales and manufacturing, which are interdependent units, the problem was solved by establishing a demand analysis and sales order liaison office. The liaison group handled all communication for sales and resolved issues such as sales requirements, production capacity, pricing and delivery schedules.

Since one of the major causes of conflict is lack of proper knowledge and facts about how other people think and act, it may be a good idea to let the individuals work with different groups so that they know each other better and understand each other better. Care should be taken however that these individuals are technically capable of fitting in these various groups. This mutual understanding will result in trust and respect thus reducing the likelihood of conflict. This understanding can also be achieved by serving as members of the various committees. As individuals from various work units get to know each other better through the membership in the same committee, it leads to increased tolerance and understanding of different viewpoints as well as a realization that basically all units are pursuing similar objectives and same overall goal.

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Check Your Progress

1. State the difference between conflict and competition.
2. When is the 'compromising' technique largely used for resolving conflict?

**8.6 ANSWERS TO CHECK YOUR PROGRESS
QUESTIONS**

1. Competition is directed towards obtaining a goal and one group does not interfere with the efforts of another group while conflict is directed against another group and actions are taken to frustrate the other group's actions towards goal achievement.
2. Compromising is a useful technique, particularly when two parties have relatively equal power, thus no party can force its viewpoint on the other and the only solution is to compromise. It is also useful when there are time constraints.

8.7 SUMMARY

- Stress refers to the body's physiological, emotional, and psychological responses to an individual's well-being. When the response is in the form of a deviation from healthy functioning, the state is called distress.
- Stress from the task demand emerges from changes enforced on employees. Change often brings in uncertainty and unpredictability. Change emerges from changes in the economic condition, technology, leadership, and structure.
- Role conflict exists when job functions contains duties or responsibilities that conflict with one another.
- The environment in which the organizations operate has a profound impact on their working. The economic, political, and technological events happening in the external environment cause stress in varying degrees as they have many uncertainties associated with them.
- Stress is an aspect of our life that cannot be avoided. Since it cannot be eliminated completely, one needs to understand the techniques and strategies to control its effects and thereby enjoy more productive, satisfying lives both at the workplace and away from the workplace.
- Stress is an aspect of our life that cannot be avoided. Since it cannot be eliminated completely, one needs to understand the techniques and strategies to control its effects and thereby enjoy more productive, satisfying lives both at the workplace and away from the workplace.

- The earlier traditional view of conflict considered it harmful, destructive and unnecessary. This view was consistent with the attitudes that prevailed about group behaviour and interaction during 1930s and 1940s. In recent years however, management scholars have shifted their view of conflict. This view is known as behavioural view and it proposes that because people differ in their attitudes, values and goals, conflict is but a natural outcome in any group of people and that it can be helpful and constructive if it is handled properly.
- Under certain circumstances, conflict is necessary and desirable in order to create changes and challenges within the organization.
- Conflict resolution is a method of solving a social conflict peacefully. Many times, group members try to resolve their conflicts and disputes by communicating information to the rest of the group regarding the conflict through their intentions and reasons for having such beliefs.
- Various researchers have identified five primary strategies for dealing with and reducing the impact of behavioural conflict: ignoring the conflict, smoothing, compromising, forcing, and problem-solving.
- The structural based conflicts are built around organizational environments and can be resolved or prevented by redesigning organizational structure and work-flow.

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8.8 KEY WORDS

- **Stress:** It refers to the body's physiological, emotional, and psychological responses to an individual's well-being.
- **Empathy:** It is the ability to understand and share the feelings of another person.

8.9 SELF ASSESSMENT QUESTIONS AND EXERCISES

Short Answer Questions

1. List the strategies for managing stress.
2. Define conflict in your own words.
3. State the positive consequences of conflict.
4. How can behavioural conflict be resolved?

Long Answer Questions

1. Differentiate between stress and distress.
2. Elaborate on the sources of stress.

3. Discuss the strategies for encouraging constructive conflict.
4. Explain the strategies for resolving constructive conflictO

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8.10 FURTHER READINGS

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BLOCK - III

ORGANIZATIONAL CLIMATE AND CULTURE

**UNIT 9 ORGANIZATIONAL
DYNAMICS**

NOTES

Structure

- 9.0 Introduction
- 9.1 Objectives
- 9.2 Organizational Effectiveness and Dynamics
 - 9.2.1 Factors Affecting Organizational Effectiveness
 - 9.2.2 Organizational Efficiency
 - 9.2.3 Efficiency vs. Effectiveness
 - 9.2.4 Organizational Excellence
- 9.3 Meaning, Approaches and Factors Affecting Organizational Climate
 - 9.3.1 Perceived Characteristics of Culture and Climate
 - 9.3.2 Dimensions of Organizational Climate
 - 9.3.3 Determinants of Organizational Climate
- 9.4 Answers to Check Your Progress Questions
- 9.5 Summary
- 9.6 Key Words
- 9.7 Self Assessment Questions and Exercises
- 9.8 Further Readings

9.0 INTRODUCTION

In the previous unit, you studied about organizational conflict management which dealt with topics such as stress management, conflict process and the strategies for encouraging constructive conflict and strategies for resolving destructive conflict. This unit will discuss in detail the concept of organizational dynamics and will assist you in understanding organizational excellence and organizational efficiency and the difference between the two of them. The unit will also throw light upon the meaning, approaches and factors affecting organizational climate. Organizational Dynamics is nothing but the process which focuses on the continuous development and enhancement of employee performances in an organization. The concepts of strategic management, organizational learning and implementing best business practices.

9.1 OBJECTIVES

After going through this unit, you will be able to:

- Define organizational effectiveness
- Differentiate between organizational excellence and organizational efficiency
- List the factors affecting organizational climate

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9.2 ORGANIZATIONAL EFFECTIVENESS AND DYNAMICS

Organizational effectiveness is defined as an extent to which an organization achieves its predetermined objectives with the given amount of resources and means without placing undue strain on its members. This is also called organizational dynamics. Sometimes efficiency and effectiveness are used as synonyms. However, there exists a difference between the two concepts. Therefore, it is important to explain the difference between the concepts of effectiveness and efficiency to understand why organizations may be effective but not efficient, or efficient but not effective. Effectiveness is a broad concept and takes into account a collection of factors both inside and outside an organization. It is commonly referred to as the degree to which predetermined goals are achieved. On the other hand, efficiency is a limited concept that pertains to the internal working of an organization. It refers to an amount of resources used to produce a particular unit of output. It is generally measured as the ratio of inputs to outputs. Further, effectiveness concentrates more on human side of organizational values and activities whereas efficiency concentrates on the technological side of an organization. However, the concept of effectiveness is not simple because there are many approaches in conceptualizing this term. Such approaches can be grouped into following three approaches:

- **Goal Approach:** Goal attainment is the most widely used criterion of organizational effectiveness. In goal approach, effectiveness refers to maximization of profits by providing an efficient service that leads to high productivity and good employee morale. Campbell has suggested several variables such as, quality, productivity, efficiency, profit, turnover, accidents, morale, motivation and satisfaction, which help in measuring organizational effectiveness. However, none of the single variable has proved to be entirely satisfactory. The main limitation of this approach is the problem of identifying the real goals rather than the ideal goals.
- **Functional Approach:** This approach solves the problem of identification of organizational goals. Parson states that since it has been assumed that an organization is identified in terms of its goal, focus towards the attainment of these goals should also aim at serving the society. Thus, the vital question in

determining effectiveness is how well an organization is doing for the super-ordinate system. The limitation of this approach is that when organizations have autonomy to follow its independent courses of action, it is difficult to accept that ultimate goal of organization will be to serve society. As such, it cannot be applied for measuring organizational effectiveness in terms of its contributions to social system.

Both the goal and functional approach do not give adequate consideration to the conceptual problem of the relations between the organization and its environment.

- **System Resource Approach:** System-resource approach of organizational effectiveness emphasizes on interdependency of processes that relate the organization to its environment. The interdependence takes the form of input-output transactions and includes scarce and valued resources such as physical, economic and human for which every organization competes. The limitation of this model is that an acquisition of resources from environment is again related to the goal of an organization. Therefore, this model is not different from the goal model. Thus, discussion of organizational effectiveness leads to the conclusion that there is no single indicator of effectiveness. Instead, the approach should focus on operative goals that would serve as a basis for assessment of effectiveness. Managerial effectiveness is a causal variable in organizational effectiveness. It has been defined in terms of organizational goal-achieving behaviour, i.e., the manager's own behaviour contributes to achievement of organizational goals.

9.2.1 Factors Affecting Organizational Effectiveness

Likert has classified the factors affecting organizational effectiveness into following three variables:

- **Causal Variables:** Causal variables are those independent variables that determine the course of developments within an organization and the objectives achieved by an organization. These causal variables include only those independent variables, which can be altered by organization and its management. Causal variables include organization and management's policies, decisions, business and leadership strategies, skills and behaviour.
- **Intervening Variables:** Intervening variables according to Likert are those variables that reflect the internal state and health of an organization. For example, the loyalties, attitudes, motivations, performance goals and perceptions of all the members along with their collective capacity for effective interaction, communication and decision-making.
- **End-Result Variables:** End-Result variables are the dependent variables that reflect achievements of an organization such as its productivity, costs, loss and earnings.

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Inter-Relationship of Variables**NOTES**

The three variables such as causal, intervening and end-result are interrelated. The inter-relationship may be visualized as psychological process where stimuli or causal variables acting upon the organism or intervening variables and creating certain responses or end-result variables. The causal, intervening and end-result variables comprise a complex network with many interdependent relationships. The causal variables are the key to organizational effectiveness. Hence, to make organization effective, attempt should be made to improve the causal variables, while other variables will be corrected or improved automatically because of causal variables.

The extent to which individual and organizational goals are integrated, affects the degree of organizational effectiveness, i.e., each individual tries to satisfy his goal by working in an organization and simultaneously satisfying organizational goals. He may see his goal satisfaction in satisfying organizational goals. If there is no perfect integration of individual and organizational goals then organizational effectiveness is affected adversely. However, organizational effectiveness is not a result of integration between individual and organizational goals only but there are other causal variables affecting it.

9.2.2 Organizational Efficiency

Organizational efficiency can be defined as the capacity of an organization to produce desired results with a minimum expenditure of energy, time and money. These desired effects depend on the goals of an organization which could be anything from making profit by producing and selling a product to function properly on a lower budget. Therefore, an organization operating efficiently will produce goods without waste, if the organization is both efficient and effective, it will be achieve its profit goals by producing and selling the goods without wastage. This is also referred to as maximizing profits in the business world.

A late 19th century sociologist Max Weber who studied organizational analysis said that the organizations could develop efficiency by certain system of rules and guidelines and by division of labour. The model created by Weber is considered bureaucratic, impersonal and goal oriented. However, a 20th century Austrian social scientist Peter Drucker has given different opinion. He emphasized that organizations should not only give importance to efficiency but should strive for effectiveness. His viewpoint can be summarized in his words that ‘efficiency is doing things right, effectiveness is doing the right thing.’

In order to enhance the efficiency of an organization the following points need to be kept in mind. Adherence to these points will result in lower costs, optimal talent allocation and greater agility and sustainability.

- Optimize resources, spans and layers.
- Position and size support functions appropriately
- Assemble the optimal units of performance, i.e., by geography, capability, customer segment to ensure maximum effectiveness

- Adapt the operational governance approaches and build collaboration within the organization
- Use performance improvement initiatives such as Lean and Six Sigma

9.2.3 Efficiency vs. effectiveness

The terms efficiency and effectiveness are considered to be synonymous with each other as they both speak of competency, productivity and proficiency in managing an organization. However, in a more formal environment, the terms efficiency and effectiveness take on very different meanings. For instance, in the context of process reengineering, Lon Roberts defines efficiency as ‘to the degree of economy with which the process consumes resources-especially time and money,’ while he distinguishes effectiveness as ‘how well the process actually accomplishes its intended purpose, here again from the customer’s point of view.’

Though efficiency and effectiveness are common marketing terms, their meaning usually gets mixed up and sometimes is used interchangeably. In order to explain the difference between the two, it is important to define both the words. According to Dictionary.com ‘Effective’ is an adjective and it has been defined as ‘adequate to accomplish a purpose, producing the intended or expected result.’ Similarly, ‘efficient’ is also an adjective which means ‘performing or functioning in the best possible manner with the least waste of time and effort.’ Therefore, the difference between efficiency and effectiveness can be understood through the following statement:

‘Being effective is about doing the right things, while being efficient is about doing the things in the right manner.’

Along with excellence, efficiency and effectiveness are important pillars of an organization which help improve speed, on-time delivery and numerous other process baselines.

Efficiency is mainly concerned with the present scenario of the organization. Adding or eliminating resources by thinking about the future may disrupt the present state of efficiency. However, effectiveness on the other hand believes in fulfilling the end goal and therefore considers all the variables that may or may not change in future. Another factor which is to be kept in mind while discussing the subject of efficiency is discipline. In order to be efficient all the time, discipline and rigour are required. This also leads to inflexibility in the organization. Effectiveness keeps long-term strategies in mind and therefore is more adaptable to changes. As efficiency is about doing things right, it involves a lot of documentation and the repetition of the same steps-the constant repetition of the same steps end up hampering innovation. Effectiveness on the other hand encourages innovation as it forces people to think and invent new ways to meet the desired goals.

The most important distinction between efficiency and effectiveness is their motive. While efficiency tries to avoid mistakes, effectiveness emphasizes on gaining success.

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Previously, in mass production, efficiency was known to be the most important performance indicator for any organizational structure. However due to the increasing number of choices for a consumer, effectiveness of an organization was always put to test. Therefore, in order to be a successful organization, there needs to be a perfect balance between efficiency and effectiveness. It is not enough for an organization to be only efficient as the requirements of the stakeholders of the organization will not be met. Though effectiveness may lead to success but at what cost?

9.2.4 Organizational Excellence

In order to survive in today's competitive world, it is imperative for an organization to excel in its given field. To excel, an organization needs to make optimum use of its resources in an effective manner. Many years of experiences clubbed with different approaches to excel, one has come to realize that

Good is no longer good enough. To survive in today's competitive environment, you need to excel. To excel, a company needs to focus on all parts of the organization, optimizing the use and effectiveness of all of its resources. After years of working with many types of organizations using various approaches to improve performance, we have come to realize that there are only five elements that need to be managed for an organization to excel. We call these key elements the five pillars of organizational excellence. All five must be managed simultaneously. Top management's job is to keep all of them moving forward at the same time. To concentrate on one or two of them and let the others slide is a sure-fire formula for failure.

Organizational excellence is designed for permanent change by focusing on managing the five key pillars. Each of these five organizational pillars is not new by itself. The key to organizational excellence is combining and managing them together. The five pillars are:

- Pillar 1: process management
- Pillar 2: project management
- Pillar 3: change management
- Pillar 4: knowledge management
- Pillar 5: resource management

By effectively managing these five key pillars and leveraging their interdependencies and reactions, an organization can bring about a marvelous transformation within itself. An organization will come out of its cocoon, which had been restricting its potential, and become a butterfly that will float on the winds of success.

Pillar 1: process management

The process management concept certainly isn't new to management professionals; it's the basis of most improvement methodologies.

To manage a process, the following must be defined and agreed upon:

- An output requirement statement between process owners and customers
- An input requirement statement between process owners and suppliers
- A process that is capable of transforming the suppliers' input into output that meets the customers' performance and quality requirements
- Feedback measurement systems between process and customers, and between process and suppliers
- A measurement system within the process

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Pillar 2: project management

Consider this:

- Only 26 percent of all projects are successful.
- 40 percent of all information technology (IT) projects fail or are canceled.

Processes define how organizations function, and projects are the means by which organizations improve those processes.

Projects in most organizations are mission-critical activities, and delivering quality products on time is non-negotiable. For IT projects, benchmark organizations are completing 90 percent of their projects within 10 percent of budget and schedule. Information system organizations that establish standards for project management, including a project office, cut their major project cost overruns, delays and cancellations by 50 percent.

Process redesign and process reengineering are two of the most important projects that organizations undertake. These types of projects have a failure rate estimated to run as high as 60 percent. There are two main causes for these high-cost failures: poor project management and poor change management. IBM launched eleven reengineering projects, starting from the way that it manages internal information systems and continuing to the way that it develops products and serves customers.

Pillar 3: change management

We all like to think of ourselves as change masters, but in truth, we are change bigots. Everyone in the management team is all for change. They want to see others change, but when it comes to the managers themselves changing, they are reluctant to move away from past habits that have proven to be successful. If the organization is going to change, top management has to be the first to do so.

Change is inevitable, and we must embrace it if we are going to be successful in our challenging world. The change management system is made up of three distinct elements:

- Defining what will be changed
- Defining how to change
- Making change happen

Pillar 4: knowledge management

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Good is no longer good enough. To survive in today's competitive environment, you need to excel. To excel, a company needs to focus on all parts of the organization, optimizing the use and effectiveness of all of its resources. After years of working with many types of organizations using various approaches to improve performance, we have come to realize that there are only five elements that need to be managed for an organization to excel. We call these key elements the five pillars of organizational excellence. All five must be managed simultaneously. Top management's job is to keep all of them moving forward at the same time. To concentrate on one or two of them and let the others slide is a sure-fire formula for failure.

Today more than ever, knowledge is the key to organizational success. To fulfill this need, the Internet and other information technologies have provided all of us with more information than we can ever consume. Instead of having one or two sources of information, the Internet provides us with hundreds if not thousands of inputs, all of which need to be researched to be sure that you have not missed a key nugget of information. We are overwhelmed with so much information that we don't have time to absorb it all.

To make matters worse, most of the organization's knowledge is still not documented; it rests in the minds and experiences of the people doing the job. This knowledge disappears from the organization's knowledge base whenever an individual leaves an assignment.

Given the almost endless amount of information that clogs up our computers, desks and minds, a knowledge management system (KMS) needs to be designed around the organization's key capabilities and competencies.

There are two types of knowledge: explicit and tacit. Explicit knowledge is defined as knowledge that is stored as semi-structured content such as documents, e-mail, voicemail or video media. It is also referenced to as hard or tangible knowledge. It is conveyed from one person to another in a systematic way.

Tacit knowledge is defined as knowledge that is formed around intangible factors embedded in an individual's experience. It is personal, content-specific knowledge that resides in an individual. It is knowledge that an individual gains from experience or skills that he or she develops. It guides the individual's actions and is also called soft knowledge. It is embedded in the individual's ideas, insights, values and judgment. It is only accessible through direct corroboration and communication with the individual that has the knowledge.

Pillar 5: resource management

Nothing can be accomplished without resources. Resources are at the heart of everything that we do. Too little and we fail, too much and there is waste—making our organization noncompetitive. Too many organizations limit their thinking about

resources to people and money. These two are important, but they're only a small part of the resources that an organization needs to manage.

When we talk about resource management, we're talking about it in its broadest sense. It is all the resources and assets that are available to the organization. This includes stockholders, management, employees, money, suppliers, inventory, boards of directors, alliance partnerships, real estate, knowledge, customers, patents, investors, good will, and brick and mortar. It is easy to see that when you consider all of the resources that are available to the organization, effective resource management is one of the organization's most critical and complex activities.

To become an excellent organization, each of these resources needs to be managed in its own special way. The big question is, 'How do you pull all these different activities and improvement approaches together and prioritize them'? To solve this question, you must have a very thorough, total-involvement approach to strategic planning—one that involves everyone, from the chairman of the board to the janitor, from sales to personnel, from development engineering to maintenance. This is a total-involvement approach to strategic planning; it is both bottom up and top down. A total strategic planning process (i.e., a business plan) includes directions, expectations and actions.

Resource management can't be an afterthought; all executive decisions must be based upon it. It requires a lot of planning, coordination, reporting and continuous refining to do an excellent job at resource management. Too many organizations manage operations by throwing more resources into the pot. They may be very successful with this approach as long as they have very little competition, but even the giants fall if they don't do an outstanding job of resource management.

Summary

When we look at the five pillars that must be managed to achieve excellence, we see common threads that run across all of them in the form of the following:

- Communication
- Teamwork
- Empowerment
- Respect
- Honesty
- Leadership
- Quality
- Fairness
- Technology

All of the key factors are built into the word 'management'. This term represents everything that turns an employee into an individual who owns his or her job, thereby bringing satisfaction and dignity to the individual for a job well done.

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In today's worldwide marketplace, customers don't have to settle for second best. Overnight mail brings the best to everyone's doorstep. The Internet lets your customers shop internationally so it's easy for them to get the best quality, reliability and price, no matter who is offering it. Customers are concerned about the products that they purchase, but they are equally or more concerned about dealing with organizations that care, are quick to respond, and will listen and react to their unique needs. To succeed in the 21st century, organizations need to excel in all parts of their business. You must have an organization that excels at what it is doing but also is recognized by the stakeholders for its excellence to win today's savvy customers.

In order to excel, an organization needs to focus on the entire organization making optimum use and effectiveness of the available resources. After many years of experimenting, organizations have come up with different approaches to excel. These approaches are referred as the key elements of organizational excellence and they have to be managed simultaneously as they are inter-related to one another. Organizational excellence strives to work on all key elements by combining and managing them together.

9.3 MEANING, APPROACHES AND FACTORS AFFECTING ORGANIZATIONAL CLIMATE

Every organization has some characteristics which are common with any other organization. At the same time, each organization has its unique set of characteristics and properties. This psychological structure of organization and their sub-units is usually referred to as Organizational Culture.

For a layman, culture is a commonly experienced phenomenon and many words like, climate, atmosphere, environment and milieu are often used interchangeably to describe it. In fact, most of the studies which have tried to measure an organization's 'Culture' have operationalised it in terms of 'Organization Climate'. A couple of formal definitions of organization climate are given below for your perusal:

Organizational climate is a relatively enduring quality of the internal environment that is experienced by the members, influences their behaviour, and can be described in terms of values of a particular set of characteristics of the organization (Renato Tagiuri, 1968).

Organizational climate is the set of characteristics that describe an organization and that (a) distinguish one organization from other organizations; (b) are relatively enduring over time and (c) influence the behaviour of the people in the organization (Forehand & Gilmer, 1964).

Compare these two definitions of 'Organizational Climate' with a definition of 'Organizational Culture' as given by Stephen P. Robbins (1986): Organizational Culture is a relatively uniform perception held of the organization, it has common

characteristics, it is descriptive, it can distinguish one organization from another and it integrates individual, group and organization system variables.

9.3.1 Perceived Characteristics of Culture and Climate

If you examine closely these sample definitions, you will not only be able to identify the commonalities but also be able to see that the abstract concept of culture and operational concept of climate basically refer to the perceived personality of an organization in very much the same sense as individuals have personality. Just as you have a personality -a set of relatively stable traits-so does an organization. Just as any culture has some do's and don'ts in the form of totems and taboos which dictate how each member should behave with a fellow member or an outsider, similarly each organization has a culture that influences the behavior of employees towards clients, competitors, colleagues, supervisors, subordinates and strangers.

It should be noted that Organizational Culture or Organizational Climate (OC) is the perceived aspects of an organization's internal environment, but within the same organization there may be very different OCs. This might happen because people with different length of experience or at different levels of organization's hierarchy, may perceive internal environment of an organization differently. Personal characteristics such as Values, Needs, Attitudes and Expectations determine the manner in which an individual is likely to perceive the various aspects of the internal working environment of the organization.

9.3.2 Dimensions of Organizational Climate

You have seen that OC refers to a set of some commonly experienced stable characteristics of an organization which constitutes the uniqueness of that organization and differentiates it from others. You might have faced some difficulty in identifying this set of characteristics because you do not yet know the various dimensions or factors of OC in which you should look for these characteristics. In the last two decades, extensive studies have been conducted which have helped us to identify some key factors of OC. Some of these common dimensions are described below:

- **Individual Autonomy:** This refers to the individual's freedom to exercise his or her responsibility. In other words, individual autonomy is the degree to which employees are free to manage themselves; to have considerable decision making power; and not to be continually accountable to higher management.
- **Position Structure:** This refers to the extent of direct supervision, formalisation and centralisation in an organization. In other words, position structure is the degree to which objectives of the job and methods for accomplishing it are established and communicated to the individual by supervisors.
- **Reward Orientation:** This refers to the degree to which an organization rewards individuals for hard work or achievement. An organization which

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orients people to perform better and rewards them for doing so, will have an OC characterised by high ward orientation.

- **Consideration, Warmth and Support:** This refers to the extent of stimulation and support received by an individual from other organization members. In other words, if there is a sense of team spirit among the members of an organization, the OC is likely to be perceived as considerate, warm and supportive.
- **Conflict:** This refers to the extent of conflict present between individuals and the willingness to be honest and open about interpersonal differences.
- **Progressiveness and Development:** This aspect refers to the degree to which organization conditions foster the development of the employees, allow scope for growth and application of new ideas and methods.
- **Risk Taking:** The degree to which an individual feels free to try out new ideas and otherwise take risks without fears of reprisal, ridicule or other form of punishment, indicate the risk-taking dimension of OC. This dimension is akin to ‘cautious’ versus ‘venturesome’ quality of an organization.
- **Control:** This dimension refers to the degree to which control over the behaviour of organizational members is formalised. In a highly bureaucratic organization, control systems are well defined. In a low-control organization, most of the controls are self-regulated, i.e., individuals monitor their own behaviour. You can think of this dimension as ‘tightness’ versus ‘looseness’ of an organization.

These eight dimensions account for most of the research findings, but they do not account for all that we intuitively feel to be present in the ‘Climate’ or ‘Culture’ of an organization. For example, you may perceive an organization culture to be ‘paternalistic’, or a climate to be ‘impersonal’. Though the fourth OC dimension (consideration, warmth and support) may cover both these different qualities, yet the ‘richness’ that you find in the two qualities is not fully reflected in that dimension. However, the identification of these eight dimensions (which are not absolutely independent of each other) do help us in mapping and measuring OC.

9.3.3 Determinants of Organizational Climate

At the very onset of this topic, it is useful to distinguish between determinants and dimensions of OC. Determinants are the causes, while dimensions are the components of OC. You may say, determinants are those which influence whereas dimensions are those which are influenced.

Although OC refers to the internal environment of an organization, the nature of OC is determined by a variety of internal and external factors. One of the basic premises of organizational behaviour is that outside environmental forces influence events within organizations. After acknowledging the dynamics of internal as well as external factors in this section, we will consider in greater detail the following

seven internal factors. You will find these factors as determinants of OC in the following order:

1. Economic Condition
2. Leadership Style
3. Organizational Policies
4. Managerial Values
5. Organizational Structure
6. Characteristics of Members
7. Organizational Size

1. Economic Condition

Several dimensions of OC are influenced by an organization's position on the economic cycle. The economic condition of any organization influences whether its budget should be 'tight' or 'loose'. In times of prosperity-when budgets are more loose than tight-the organization tends to be more adventuresome. On the other hand, tight budget would lead to an air of caution and conservatism within an organization. Few managers are willing to suggest new programmes (probably deserving merit) when the order from above is to exercise tight control over expenses. So, dimensions of OC like 'Risk-taking', 'Control', 'Progressiveness and Development' etc. are directly influenced by economic conditions.

2. Leadership Style

The leadership style prevailing in an organization has a profound influence in determining several dimensions of OC. The influence is so pervasive that you may often wonder whether OC is a product of the philosophy and practices of prominent persons in an organization.

Consider, for example, the results of an experimental study where three organizations were 'created' by simulation. All these three Organizations-A, B and C-were identical in terms of nature of business, size of the organization, characteristics of employees, and initial economic condition. The major difference among these three organizations was the 'leadership style'. Organization A was characterised by authoritarian style with high power motivation. Organization B was characterised by democratic style with affiliation motivation. Organization C was characterised by goal directed style with achievement motivation.

3. Organizational Policies

Specific organizational policies can influence a specific dimension of OC to quite an extent. For example, if the company policy states that layoffs will be used only as a last resort to cope with business downturn, then it would, in general, foster an internal environment that is supportive and humanistic.

Similarly, if you are working in a company where it is agreed that the first beneficiaries, of increased profit would be the employees of that organization and

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shareholders would get second priority, then the OC will be characterised by High Reward Orientation and probably by High Progressiveness and Development.

4. Managerial Values

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The values held by executives have a strong influence on OC because values lead to actions and shape decisions. Values add to perceptions of the organization as impersonal, paternalistic, formal, informal, hostile or friendly.

5. Organizational Structure

The design or structure of an organization affects the perception of its internal environment. For example, a bureaucratic structure has an OC much different from a System 4 organization. What is a System 4 organization? According to Rensis Likert, all organizations can be classified into four major groups, depending upon the way basic organizational processes are conducted. These major groupings are as follows:

- System 1 - Exploitative Authoritative
- System 2 - Benevolent Authoritative
- System 3 - Consultative
- System 4 - Participative

How does one know whether an organization should be categorised as System 1 or 2 or 3 or 4? It depends on the way following processes are perceived and rated in an organization:

- Leadership process
- Motivation process
- Communication process
- Decision-making process
- Goal-setting process
- Control process

Employees of an organization rate these processes on a rating scale; asking questions like the following:

- How much confidence is shown in subordinates?
- Where is responsibility felt for achieving organization goals?
- How well superiors know problems faced by subordinates?
- How much covert resistance to goals is present?
- At what levels are decisions formally made?
- Is there an informal organization resisting the formal one?

Based on the answers to these questions, an organization can be classified as system 1 or 2 or 3 or 4. A bureaucratic structure is likely to be rated as System 2 or System 3. A System 4 organization will have a distinct OC where the main

theme would be strong involvement and self-control of all organization members at all levels in all basic organizational processes

6. Characteristics of Members

Personal characteristics of the members of an organization also affect the climate prevailing in the organization. For example an organization with well educated, ambitious and younger employees is likely to have a different OC than an organization with less educated, and less upwardly mobile, older employees. The former might inculcate an environment of competitiveness, calculated risk-taking, frankness of opinions, etc.

7. Organizational Size

In a small sized organization it is much easier to foster a climate for creativity and innovation or to establish a participative kind of management with greater stress on horizontal distribution of responsibilities. On the other hand, in a large organization it is easier to have a more authoritative kind of management with stress on vertical distribution of responsibilities. This in turn leads to distinct environments as has been explained with the help of the concept of System 4 organization.

We have now studied seven basic determinants of OC. The list is not exhaustive but these are the basic internal factors determining the internal environment of an organization.

Note that OC is not influenced by factors existing within the organization only. Societal forces help shape OC as well. To understand societal influences on OC, let us consider an example in relation to the changing profile of existing and future employees. You may have noticed at least two changes which are taking place in our society. First, educational level of employees of all categories is rising. Second, societal values toward recreational and leisure activities are becoming stronger. The effect of the first change is in the expectations of employees. People want more satisfying and fulfilling work which should match their qualifications and abilities. The impact of the second change is that the passion for non-work is increasing: people feel less passionate about job performance. So, while one change is pushing towards increased professionalism, the other change is pulling towards leisure-orientation. Against these backdrops of societal forces influencing the profiles of the employees, the content of the job and the organization processes determine the OC. To sum up, OC is determined by a variety of internal and external factors where internal factors are specific to the organization while external factors refer to a number of societal forces.

Check Your Progress

1. Name the most widely used criterion of organizational effectiveness.
2. State the types of knowledge.

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9.4 ANSWERS TO CHECK YOUR PROGRESS QUESTIONS

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1. Goal attainment is the most widely used criterion of organizational effectiveness.
2. The two types of knowledge are explicit and tacit.

9.5 SUMMARY

- Organizational effectiveness is defined as an extent to which an organization achieves its predetermined objectives with the given amount of resources and means without placing undue strain on its members.
- Effectiveness is a broad concept and takes into account a collection of factors both inside and outside an organization. It is commonly referred to as the degree to which predetermined goals are achieved.
- Goal attainment is the most widely used criterion of organizational effectiveness. In goal approach, effectiveness refers to maximization of profits by providing an efficient service that leads to high productivity and good employee morale.
- The three variables such as causal, intervening and end-result are interrelated. The inter-relationship may be visualized as psychological process where stimuli or causal variables acting upon the organism or intervening variables and creating certain responses or end-result variables.
- Organizational efficiency can be defined as the capacity of an organization to produce desired results with a minimum expenditure of energy, time and money.
- The terms efficiency and effectiveness are considered to be synonymous with each other as they both speak of competency, productivity and proficiency in managing an organization.
- Organizational excellence is designed for permanent change by focusing on managing the five key pillars. Each of these five organizational pillars is not new by itself. The key to organizational excellence is combining and managing them together.
- Organizational climate is a relatively enduring quality of the internal environment that is experienced by the members, influences their behaviour, and can be described in terms of values of a particular set of characteristics of the organization (Renato Tagiuri, 1968).

9.6 KEY WORDS

- **Organizational effectiveness:** It is defined as an extent to which an organization achieves its predetermined objectives with the given amount of resources and means without placing undue strain on its members.
- **Organizational efficiency:** It can be defined as the capacity of an organization to produce desired results with a minimum expenditure of energy, time and money.

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9.7 SELF ASSESSMENT QUESTIONS AND EXERCISES

Short Answer Questions

1. Mention the factors affecting organizational effectiveness.
2. What do you understand by the term 'organizational climate'?
3. List the determinants of organizational climate.

Long Answer Questions

1. Differentiate between organizational excellence and organizational efficiency.
2. 'Efficiency is mainly concerned with the present scenario of the organization.' Explain the statement.
3. Discuss the five key pillars of organizational excellence.

9.8 FURTHER READINGS

- Robbins, Stephen P. 2010. *Organizational Behaviour*. New Delhi: Prentice Hall.
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UNIT 10 ORGANIZATIONAL CULTURE

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Structure

- 10.0 Introduction
- 10.1 Objectives
- 10.2 Meaning and Significance of Organizational Culture
 - 10.2.1 Organizational Climate
- 10.3 Creation and Maintenance of Culture
 - 10.3.1 Sustaining Culture
- 10.4 Change and Organizational Culture
- 10.5 Impact of Organizational Culture
 - 10.5.1 Theories
 - 10.5.2 Issues in Organizational Culture
- 10.6 Answers to Check Your Progress Questions
- 10.7 Summary
- 10.8 Key Words
- 10.9 Self Assessment Questions and Exercises
- 10.10 Further Readings

10.0 INTRODUCTION

In the previous unit, you studied about organizational dynamics. This unit will introduce you to the meaning, significance and theories of organizational culture. Organizational culture is a system of shared beliefs and attitudes that develop within an organization and guides the behaviour of its members. It is also known as corporate culture, and has a major impact on the performance of organizations and specially on the quality of work life experienced by the employees at all levels of the organizational hierarchy. The corporate culture consists of the norms, values and unwritten rules of conduct of an organization as well as management styles, priorities, beliefs and interpersonal behaviours that prevail. Together they create a climate that influences how well people communicate, plan and make decisions. Strong corporate values let people know what is expected of them. There are clear guidelines as to how employees are to behave generally within the organization and their expected code of conduct outside the organization. Also, if the employees understand the basic philosophy of the organization, then they are more likely to make decisions that will support these standards set by the organization and reinforce corporate values.

10.1 OBJECTIVES

After going through this unit, you will be able to:

- Define organizational culture
- Evaluate the significance of organizational culture
- Discuss the creation and maintenance of culture
- Analyse the relationship between change and organizational culture
- Name the theories of organizational culture
- State the issues faced with reference to organizational culture

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10.2 MEANING AND SIGNIFICANCE OF ORGANIZATIONAL CULTURE

While culture has been a continuous development of values and attitudes over many generations, at least the organizational culture can be partially traced back to the values held by the founders of the organization. Such founders are usually dynamic personalities with strong values and a clear vision as to where they want to take their organizations. These founders usually selected their associates and their employees who had a similar value system so that these values became an integral part of the organization.

Secondly, the organizational culture is influenced by the external environment and the interaction between the organization and the external environment. For example, one organization may create a niche for itself for extremely high quality defect-free product as a result of competitive forces and customer demand, while another organization may opt for moderate quality but lower prices. The work cultures at these two types of organizations would accordingly differ and would be influenced by external forces such as customer demand.

Thirdly, work culture is also a function of the nature of the work and mission and the goals of the organization. For example, in a professional, research oriented small organization, the workers may be more informal at all hierarchical levels of the organization, the dress code may not be strictly observed and the employees may be encouraged to be independent and innovative. In contrast, other organizations may have a strictly enforced formal classical hierarchical structure with clearly established channels of communications and strict adherence to work rules. Accordingly, the organizational culture of these two types of organizations would be different.

Much has been written and talked about Japanese management styles. Almost invariably, the economic success of Japanese society is associated with Japanese

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culture. The cultural aspect of organizational performance came into focus with Theory Z, proposed by William Ouchi in 1981. Even though Theory Z draws heavily on Japanese approach to management, it is more a combination of the current American as well as Japanese style of managing an organization. Basically, Ouchi's approach to management calls for:

- Consensus decision-making.
- Worker participation in all phases of organizational operations.
- Genuine concern for the overall well-being of employees.
- Life time job security.

The importance of strong culture as a driving force for organizational success was emphasised by Peters and Waterman in their well received book, *In Search of Excellence*. They observed:

Without exception, the dominance and coherence of culture proved to be an essential quality of the excellent companies. Moreover, the stronger the culture and the more it was directed towards the marketplace, the less need was there for policy manuals, organization charts and detailed procedures and rules. In these companies, people, way down the line know what they are supposed to do in most situations because the handful of guiding values is crystal clear.

Some of the cultural differences in a typical American organization as compared to a typical Japanese organization can be seen in the following comparison in various areas and aspects of organizational operations and performance.

10.2.1 Organizational Climate

The process of quantifying culture in an organization is called organizational climate. This is also referred as corporate culture. According to this process, an employee's behaviour is influenced by a set of guidelines laid down by the organization.

There are different approaches to define organizational climate, which are based on how to define climate and how to measure it effectively on different stages. These two approaches are as follows:

- Cognitive Schema
- Shared perception

The cognitive schema approach regards climate as an individual perception and as the work of environment. Therefore, according to this perspective climate assessments should be covered individually. The shared perception approach on the other hand gives importance to other perceptions vis-à-vis climate and has also been defined as the shared perception of the way things are around here. It is to be noted that there are major overlaps in both the approaches.

- **Cognitive schema approach:** Schemas are known to be mental structures that perceive the world. They are said to be organized in memory of associative network in which schemes of similar nature are

clubbed together. Thus, when a particular schema is activated, the relating schemes will get activated too. Relative schemes become more accessible in the associative network. If the schema is more accessible it can be used directly and quickly to a particular situation. When related schemas are activated they tend to influence social behaviour. However, it is also important to know that a person may or may not be aware when a schema is activated.

Accessibility of schema is increased by the process of salience and priming. Salience can be defined as the degree to which one social object stands out in respect to other social objects in a given situation. This means that the higher the salience of a social object, more accessibility will be there for the related schemas whereas priming refers to experiences prior to a situation that make a schema more accessible.

- **Shared perception approach:** This approach discusses the variables which influence an organization's ability to mobilize their employees in order to get their business targets met and also to maximize employee performance. Under this model, the staff of an organization is surveyed to identify and measure aspects of a workplace which effect the quality of work life.

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10.3 CREATION AND MAINTENANCE OF CULTURE

The traditions and way of life of the employees create culture in an organisation. The organisational culture is known by its employees' behaviour and attitudes. The early traditions are the basis of culture in an organisation. The vision and functions of an organisation are the creators of culture. Accumulated traditions and methods of functions are culture. The ideology and customs of organisational functions are organisational culture. An organisation develops progressive ideas and technological development for forming a good culture in an organisation. The mission and vision of the founder members of an organisation are the basis for creating the organisational culture. Hard work, competitive spirit and a disciplined way of life of the founders have created a disciplined organisational culture for improving the performance. The vision of Ratan Ji Tata and Ghanshyam Das Birla has created the Tata culture and Birla culture respectively in the Tata Group and the Birla Group. They are known by their organisational culture.

10.3.1 Sustaining Culture

Sustaining and maintaining culture is essential for the organisation to make it a permanent source of energy. The experience gained by predecessors must be continued by the subsequent successors. An improvement for the better must be introduced into the existing culture. Reinforcement of learning, performance evaluation criteria, reward system, promotion procedures, etc. should be continued

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as it existed in the vision of the founders. Maintaining the culture does not mean that the organisations should adhere to a cultural paradox. The changing environment is absorbed in the dynamic culture of an organisation. The top management, selection, training and development programme and socialisation are the important methods of sustaining culture.

Top management: The attitudes of the top management should continue to guide the organisational functions. The culture is maintained by adhering to old values and developmental attitudes. They have certain norms and values which flow in the minds of sub-ordinates. The culture sponsored by the top management continues in the employees of an organisation. The latter follows the former. The top management decides and subordinates work. The dress recommended, the job designs suggested and other factors are taken into account for keeping culture alive. Tata Groups perpetuate a risk-taking, bold and innovative culture. HMT is dedicated to a culture of quality and innovative vision as the top management are practicing it themselves.

Selection: Culture is maintained by a proper selection policy. People who are qualified and experienced must be appointed ignoring those persons who want an entry on a pull-push basis. If needed persons are appointed, the organisation can maintain work culture. On the contrary, if people are appointed based on political support, they are bound to destroy the existing work culture. The vision, mission and policy of a sound organisation must not be bypassed while selecting the people for work performance. In India, the public sector could not maintain the real character of the public sector because of a defective selection policy. But, those public enterprises which have been given autonomy and have no interference from politicians have worked satisfactorily. Indian Oil, Oil and Natural Gas Commission, Life Insurance Corporation of India and Steel Authority of India have been successful in maintaining some of the policies of a sound public sector. People who do not have the core values of an organisation must not be appointed because they will destroy the very structural value of the organisation.

Training and development programme: After selection and placement, an organisation should adopt a training and development programme based on the values of the organisation. Employees learn the values of the organisation. Training and development programmes are channelised for enhancing the culture of an organisation. Video films, practicing lectures and problem solutions are the important components of a value sustaining process. The instructor should identify the problems of learners so that they can be directed towards the cultural values of the organisation. The traits and qualities of the employees are used for instrumenting the employees on the values of the organisation.

Socialisation: The employees are indoctrinated in the organisation's culture through the adaptation process which is called socialisation. New employees are put in the culture of an organisation through on the job and sensitive training. An intensive training programme is instituted to make the new employees accustomed with the values of the organisation which includes performing all the activities from

the early morning to sleeping time. The whole day is systematically scheduled to make the employees learn all the cultures of an organisation. The organisational culture is maintained not only in the form of work functions but also in dining, dressing and developmental activities. New graduates can easily learn all the cultural values of an organisation through the intensive training programme.

Employees prove their commitment with the cultural values of the organisation after getting the intensive training programme. The newly appointed employees remain in good standing. They learn the pivotal role or basic values of an organisation. People who fail to learn the basic values of an organisation after training are termed as 'non-conformists'. They become rebels if they have values contrary to the organisational values. These employees are further brought to a steep socialisation process, i.e. prearrival stage, encounter stage and metamorphosis stage.

Prearrival stage: The values, attitudes and personalities of newly appointed employees are assessed for driving them towards the organisational culture. Their weaknesses are revealed to paste them with the organisational values. Modification and smoothening of their existing values are made by the management towards the culture of an organisation. Employees might have knowledge of socialisation of the business functions. It is revealed how their socialisation has not moved towards the organisational values. The diagnosis reveals the possibilities of a complete socialisation of the organisational culture. Their firmness, rigidity, unfaithfulness and other anti-attitudes are smoothened to make their uses in different functions of required values. Psychologists and behaviourists are invited to smoothen their individual values towards the organisational values.

Encounter stage: The employees, after entering into business functions, find the activities against their attitude and expectations. The expectations of the employees may or may not be equal to the reality of the business policy, procedures and fellow workers' attitudes. If expectations are not very far from the reality in the organisation, they reinforce the values of the organisation. A smoothening process is used in this case. When expectations are far from the reality, the employees are required to replace their existing style with the organisational policy. The employees should try to adopt themselves to the values of the organisational culture. If they fail to adopt, they are put in adverse conditions. They should not be permitted to destroy the existing culture of the organisation. They are forced to resign if they do not perform according to the norms and values of the organisation after their intensive training programme.

Metamorphosis stage: Employees are required to change their values which are contrary to those of the organisation. The socialisation process is reintroduced for emphasising divestiture, stripping away and replacing their own values. Perception, learning and personality development programmes are used to change the values of the employees to bring them on par with those of the organisation. The group values and norms are made sacred objectives which should be achieved by individuals. Role models are used to train and encourage the

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employees. Monitoring and self-exercise programmes are held to make people organisation-minded. A serial socialisation is needed for changing the employees' values for organisational values.

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10.4 CHANGE AND ORGANIZATIONAL CULTURE

Although international business, to some degree, has existed for centuries, the second half of the last century was most influential in bringing the world closer to itself. The world, since 1950s has entered an era of unprecedented global economic activity, including worldwide production, distribution and global strategic alliances. More recently, in the last decade of the last century, India and China have opened up for entry of multinational companies. Some other closed markets under communism and social economies, such as one time Soviet Union and Eastern Europe have joined the international economic arena. Some multinational companies such as IBM, GE, BP and Siemens do business in more than 50 countries. According to Mitroft, 'For all practical purposes all business today is global. Firms, industries and whole societies that clearly understand the new rules of doing business in a world economy will prosper; those that do not will perish'.

Culture defines behaviour of people and organizations and international managers are increasingly recognizing the influence of national culture on organizational functioning. They are being trained in acquiring the skills of cross-cultural management and they study the behaviour of people in organizational settings around the world. They seek to understand and improve the interaction with co-workers, clients, suppliers and alliance partners from different countries and cultures. Often multilingual, the global manager thinks with a world view and develops his strategy on the basis of diverse beliefs, behavior and practices of people of different countries. He adapts well to different business environments and solves problems quickly relative to the environment he is in. He understands and respects different government and political systems and he communicates in the cultural context of a given class of people. Experienced international managers understand the need for 'global mindset' of cultural adaptability, flexibility, patience and respect.

10.5 IMPACT OF ORGANIZATIONAL CULTURE

Culture to an organization is an intangible force, with far reaching consequences. It plays several important roles in organizations. Different functions performed by culture are discussed below.

Culture Gives a Sense of Identity to Its Members

An organization's culture provides a sense of identity to its members. The more clearly an organization's shared perception and values are defined, the more strongly people can associate themselves with their organization's mission and feel a vital part of it.

Culture Helps to Generate Commitment

Among Employees

The second important function of culture is generating commitment to the organization's mission. Sometimes it is difficult for people to go beyond thinking of their own interest: How will this affect me? However, when there is a strong, overarching culture, people feel that they are part of that larger, well-defined whole and involved in the entire organization's work. Not just focussed on any one individual's interest, culture reminds people of what their organization is all about.

Culture Serves to Clarify and Reinforce

Standards of Behaviour

A third important function of culture is that it serves to clarify and reinforce standards of behaviour. While it is essential for newcomers, it is also beneficial for veterans. In essence, culture guides employees' words and deeds, making it clear what they should do or say in a given situation. In this sense, it provides stability to behaviour, both with respect to what an individual might do at different times and what different individuals may do at the same time. For example, in a company with a culture that strongly supports customer satisfaction, employees will have clear guidance as to how they are expected to behave; doing whatever it takes to please the customer. By serving these important roles, it is clear that culture is an important force influencing behaviour in organizations.

10.5.1 Theories

No single framework for describing the values in organizational culture has emerged; however, several frameworks have been suggested. Although these frameworks were developed in the 1980s, their ideas about organizational culture are influential even today. Some of the "excellent" companies that they described are less excellent now, but the concepts are still used in companies all over the world. Managers should evaluate the various parts of the frameworks described and use the parts that fit the strategic and cultural values for their own organization.

1. The Ouchi Framework

One of the first researchers to focus explicitly on analysing the culture of a limited group of firms was William G. Ouchi (1981). Ouchi analysed the organizational culture of three groups of firms, which he characterized as (1) typical US firms, (2) typical Japanese firms, and (3) type Z US firms.

Based on his analysis, Ouchi developed a list of seven points on which these three types of firms can be compared. He argued that the cultures of typical Japanese firms and US type Z firms are very different from those of typical US firms and that these differences explain the success of many Japanese firms and US type Z firms and the difficulties faced by typical US firms. The seven points of comparison developed by Ouchi are as follows:

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(i) Commitment to employees

According to Ouchi, typical Japanese and Type Z US firms share the cultural value of trying to retain employees. Thus, both types of firms layoff employees only as a last resort. In Japan, the value of “keeping employees on” often takes the form of lifetime employment. This cultural value is manifested in a commitment of what Ouchi called “long-term employment.”

Ouchi suggested that typical US firms do not have the same cultural commitment to employees as Japanese firms and US type Z firms do. In reality, American workers and managers often spend their entire careers in a relatively small number of companies. Still there is a cultural expectation that if there is a serious downturn in a firm’s fortune, change of ownership, or a merger, workers and managers will be let go.

(ii) Evaluation

Ouchi observed that in Japanese and type Z US companies, appropriate evaluation of workers and managers is thought to take a very long time—up to 10 years—and requires the use of qualitative as well as quantitative information about performance. For this reason, promotion in their firms is relatively slow, and promotion decisions are made only after interviews with many people who have had contacts with the person being evaluated.

(iii) Careers

Ouchi next observed that the careers most valued in Japanese and Type Z US firms span multiple functions. In Japan, this value had led to very broad career paths, which may result in employees gaining experience in six or seven distinct business functions. The career paths in type Z US firms are somewhat narrower.

However, the career path valued in typical US firms is considerably narrower. Ouchi’s research indicated that most US managers perform only one or two different functions in their careers. This narrow career path reflects the value of specialization that is part of so many US firms.

(iv) Control

All organizations must exert some level of control to achieve coordinated action. Thus, it is not surprising that firms in the US and Japan have developed cultural values related to organizational control on how to manage it. Most Japanese and type Z US firms assume that control is exercised through implicit, informal mechanisms. One of the most powerful of these mechanisms is the organizational culture.

In contrast, typical US firms expect guidance to come through explicit directions in the form of job descriptions, delineation of authority, and various rules and procedures, rather than informal and implicit cultural values.

(v) Decision-making

Japanese and type Z US firms have a strong cultural expectation that decision making occurs in groups and is based on the principles of full information sharing and consensus. In most typical US firms, individual decision making is considered appropriate.

(vi) Responsibility

Here, the parallels between Japanese firms and type Z US firms break down. Ouchi showed that in Japan strong cultural norms support collective responsibility, that is, the group as a whole, rather than a single person, is held responsible for decisions made by the group. However, in type Z US firms and typical US firms, individuals are expected to take responsibility for decisions.

(vii) Concern for people

In Japanese firms and type Z firms, the cultural value that dominates is a holistic concern for workers and managers. Holistic concern extends beyond concern for a person simply as a worker or a manager to concern about that person's home life, hobbies, personal beliefs, hopes, fears, and aspirations. In typical US firms, the concern for people is a narrow one that focuses on the workplace. A culture that emphasizes a strong concern for people, rather than the one that describes a work task orientation can decrease worker turnover (Powell and Mainiero 1993).

Theory Z and performance

Ouchi argued that the cultures of Japanese and type Z firms help them outperform typical US firms. Toyota imported the management style and culture that succeeded in Japan into its manufacturing facilities in North America. Toyota's success has often been attributed to the ability of Japanese and type Z firms to systematically invest in their employees and operations over long periods, resulting in steady and significant improvement in long-term performance.

2. The Peters and Waterman Approach

Tom Peters and Robert Waterman (1982) in their best seller "In search of Excellence" focused even more explicitly than Ouchi on the relationship between organizational culture and performance. Peters and Waterman chose a sample of highly successful US firms and sought to describe the management practices that led to their success. Their analysis rapidly turned to the cultural values that led to successful management practices. Some of the excellent values practiced in the sample firms are as follows:

(i) Bias for action

According to Peters and Waterman, successful firms have a bias for action. Managers in these firms are expected to make decisions even if all the facts are

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not in. They argued that for many important decisions, all the facts will never be in. Delaying decision making in these situations is the same as never making decisions. Meanwhile, other firms probably will have captured whatever business initiatives that existed. On average, according to these authors, organizations with cultural values that include a bias for action outperform firms without such values.

(ii) Stay close to the customer

Peters and Waterman believe that firms which value customers over anything else outperform firms without this value. The customer is a source of information about current products, a source of ideas about future products, and responsible for the firm's current and future financial performance. Focusing on the customer, meeting the customer's needs, and pampering the customer when necessary lead to superior performance.

(iii) Autonomy and entrepreneurship

Peters and Waterman maintained that successful firms fight the lack of innovation and the bureaucracy usually associated with large size. They do this by breaking the company into smaller, more manageable pieces and then encouraging independent, innovative activities within smaller business segments. Stories often exist in these organizations about the junior engineer, who takes a risk and influences major product decisions, or of the junior manager, who implements a new and highly successful marketing plan because he is dissatisfied with the current plan.

(iv) Productivity through people

Peters and Waterman believe that successful firms recognize that their most important assets are their people—both workers and managers—and that the organization's purpose is to let its people flourish. It is a basic value of the organizational culture—a belief that treating people with respect and dignity is not only appropriate but also essential to success.

(v) Hands-on management

They also noted that the firms they studied insisted that senior managers stay in touch with the firm's essential business. It is an expectation, reflecting deeply embedded cultural norms that managers should not manage from behind the closed door of their offices but by "wandering around" the plant, the design facility, the research and development department, and so on.

(vi) Stick to the knitting

Another cultural value characteristic of excellent firms is their reluctance to engage in business outside their areas of expertise. These firms reject the concept of diversification, the practice of buying and operating businesses in unrelated industries. This notion is currently referred to as relying on the "core competencies," or what the company does best.

(vii) Simple form, lean staff

According to Peters and Waterman, successful firms tend to have few administrative layers and relatively small corporate staff group. In companies that are managed excellently, importance is measured not only by the number of people who report to the manager but also by the manager's impact on the organization's performance. The cultural values in these firms tell managers that the performance of the staff is more important than their number.

(viii) Simultaneously loose and tight organization

The final attribute of organizational culture identified by Peter and Watermen appears contradictory. The firms are tightly organized because all their members understand and believe in the firm's values. This common cultural bond is the strong glue that holds the firms together. At the same time, however, the firms are loosely organized because they tend to have less administrative overheads, fewer staff members, and fewer rules and regulations. The result is increased innovation and risk taking and faster response time.

3. The Udai Pareek Approach

According to Pareek (2002), there are eight values that govern the culture of an organization. These eight values together are responsible for making the culture of an organization strong or weak. These are as follows:

(i) Openness

As the term implies openness refers to free sharing of thoughts, ideas, and feelings with each other in an organization. The open environment of the organization results in a culture where employees have no reservation or negative hidden feelings against each other. In situations of disagreements they are able to come out openly and share their concerns with each other. Openness also deals with doing away with the physical boundaries and erected walls in the organizations. Openness has to be practiced both in terms of giving as well as receiving information at all levels in the organization.

(ii) Confrontation

With openness comes the ability to face the situation as it comes to us rather than move away from it. In cases where there is willingness to face the problem and solve it, many interpersonal differences are resolved and individuals come forward with their ideas and solutions.

(iii) Trust

The surety with which people can share their confidential information with each other without the fear of it being known all over the organization reflects the level of trust in the organization. In organizations where trust is high among employees, there is better problem solving and less stress.

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(iv) Authenticity

This refers to the equivalence that members of an organization have between their words and deeds. If people do what they say and feel, it leads to high level of openness and trust in organizations.

(v) Proactivity

Proactive organizations are ready to face any eventuality and are prepared for adversaries too. Proactive individuals are more calm and relaxed in their behaviour towards others. With proactivity, there is a possibility of thinking and planning ahead and being prepared to encounter situations or individuals.

(vi) Autonomy

It involves giving enough space to other individuals in the organization as you would seek for yourself. A person with knowledge and competence should be given freedom to take the decisions for the department or the organization. This promotes a sense of achievement and self-confidence among employees thereby leading to mutual respect.

(vii) Collaboration

Organizations consist of individuals who are expected to work together in a group and this sense of togetherness can only be generated by the top management in organizations. People should be forced to learn to work together to develop a sense of team spirit. It will result in openness, trust among members, sharing, and a sense of belongingness and commitment to the organization.

(viii) Experimentation

In this age of scarce resources, and fast change, any organization which is not willing to try out new and better ways of working is likely to perish fast. Individuals as well as organizations can sustain themselves only if they are able to experiment with the available resources and identify and develop better approaches to deal with the problems. There has to be out of the box thinking in which nothing that is obsolete is likely to be accepted.

10.5.2 Issues in Organizational Culture

The following are some of the issues in organizational culture:

- Maintaining the organizational culture. This involves employee engagement at all times
- Reinforcing organizational culture through different actions so that the employees do not forget that the ideas of the organizational are not for a one time show or biased towards one group etc.
- Many times the employees might get the feeling that the organizational culture is to be maintained overall and that they are not important part of it. So, it is

crucial that the managers ensure that every employee understands that he/she is important in the process.

- Employees rely on their instincts which might or might not be based on evidence or are actually opposing to the organization. It is important that the organizational culture is clearly understood and maintained.
- The organization culture might become outdated or regressive if they are not adaptive to the change in the environment.
- The different departments in the organization might become a hindrance to organizational culture if the employees create invisible walls between themselves.

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Check Your Progress

1. Name the two schemes used to define and measure of organizational climate.
2. List the eight values that govern the organizational culture as per the Udai Pareek approach.

10.6 ANSWERS TO CHECK YOUR PROGRESS QUESTIONS

1. The two schemes used to define and measure of organizational climate are the following:
 - Cognitive schema approach
 - Shared perception approach
2. The eight values that govern the organizational culture as per the Udai Pareek approach are the following:
 - Confrontation
 - Trust
 - Authenticity
 - Proactivity
 - Autonomy
 - Collaboration
 - Experimentation

10.7 SUMMARY

- Organizational culture is a system of shared beliefs and attitudes that develop within an organization and guides the behaviour of its members. It is also known as corporate culture, and has a major impact on the performance of

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organizations and especially on the quality of work life experienced by the employees at all levels of the organizational hierarchy.

- While culture has been a continuous development of values and attitudes over many generations, at least the organizational culture can be partially traced back to the values held by the founders of the organization.
- The process of quantifying culture in an organization is called organizational climate. This is also referred as corporate culture. According to this process, an employee's behaviour is influenced by a set of guidelines laid down by the organization.
- The traditions and way of life of the employees create culture in an organization. The organizational culture is known by its employees' behaviour and attitudes. The early traditions are the basis of culture in an organization.
- Sustaining and maintaining culture is essential for the organization to make it a permanent source of energy. The experience gained by predecessors must be continued by the subsequent successors.
- Although international business, to some degree, has existed for centuries, the second half of the last century was most influential in bringing the world closer to itself.
- Culture to an organization is an intangible force, with far reaching consequences. It plays several important roles in organizations.
- No single framework for describing the values in organizational culture has emerged; however, several frameworks have been suggested. Although these frameworks were developed in the 1980s, their ideas about organizational culture are influential even today.
- According to Ouchi, typical Japanese and Type Z US firms share the cultural value of trying to retain employees.
- Business ethics is the application of ethical values to business behaviours. It applies to the code of conduct of an organization and, therefore, relates to its culture.

10.8 KEY WORDS

- **Organizational culture:** It is a system of shared beliefs and attitudes that develop within an organization and guides the behaviour of its members.
- **Organizational climate:** The process of quantifying culture in an organization is called organizational climate.

10.9 SELF ASSESSMENT QUESTIONS AND EXERCISES

Organizational Culture

Short Answer Questions

1. Write a short note on the significance of organizational culture.
2. How has the organizational culture responded to with the changing global scenario?
3. What are the issues faced in organizational culture?

Long Answer Questions

1. 'Sustaining and maintaining culture is essential for the organization to make it a permanent source of energy.' Explain the statement.
2. Discuss the Ouchi Framework developed by William Ouchi with reference to organizational culture.
3. Explain the theories of organizational culture.

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10.10 FURTHER READINGS

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UNIT 11 INTERPERSONAL COMMUNICATION

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Structure

- 11.0 Introduction
- 11.1 Objectives
- 11.2 Interpersonal Communication: An Overview
 - 11.2.1 Communication Process Model
 - 11.2.2 Essential Elements of Communication
- 11.3 Behavioural Communication and Uses to Business
- 11.4 Communication Networks
- 11.5 Types of Communication
 - 11.5.1 Communication Technologies
- 11.6 Communication Barriers
 - 11.6.1 Noise Barriers
 - 11.6.2 Interpersonal Barriers
 - 11.6.3 Cultural Barriers
 - 11.6.4 Sender Credibility
 - 11.6.5 Emotions
 - 11.6.6 Multi-meaning Words
 - 11.6.7 Feedback Barriers
- 11.7 Overcoming Communication Barriers
- 11.8 Answers to Check Your Progress Questions
- 11.9 Summary
- 11.10 Key Words
- 11.11 Self Assessment Questions and Exercises
- 11.12 Further Readings

11.0 INTRODUCTION

In the previous unit, you studied about the meaning, significance and impact of organizational culture. This unit will introduce you to interpersonal communication wherein you will study the essential elements of interpersonal communication, communication networks, communication technologies, barriers to communication and strategies to overcome the same.

Interpersonal communication is largely the process of exchange of ideas, feelings, emotions and information between two or more individuals through verbal and non-verbal methods of communication. The most important aspect of communication is the fact that the message conveyed by one individual (sender) should be understood by the other individual (receiver).

11.1 OBJECTIVES

After going through this unit, you will be able to:

- Define interpersonal communication
- Identify the types of communication networks
- State the use of communication technologies
- Discuss the barriers to communication and ways to overcome them

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11.2 INTERPERSONAL COMMUNICATION: AN OVERVIEW

Management depends upon communication to achieve organizational objectives. Since managers work with and through other people, all their acts, policies, rules, orders and procedures must pass through some kind of communication channel. Also there must be a channel of communication for feedback. Accordingly, some of the purposes of communication are:

- To develop information and understanding among all workers and this is necessary for group effort.
- To foster any attitude that is necessary for motivation, cooperation and job satisfaction.
- To discourage the spread of misinformation, ambiguity and rumours that can cause conflict and tension.
- To prepare workers for a change in methods of environment by giving them necessary information in advance.
- To encourage subordinates to supply ideas and suggestions for improving upon the product or work environment and taking these suggestions seriously.
- To improve labour–management relations by keeping the communication channels open and accessible.
- To encourage social relations among workers by encouraging inter-communication. This would satisfy the basic human need for a sense of belonging and friendship.

11.2.1 Communication Process Model

A simple communication model that reflects communication as a dynamic interactive process has been proposed by David Berlov. His approach is based upon the following idea:

‘If we accept the concept of process, we view events and relationships as dynamic ongoing, ever changing, continuous. When we label something as a process, we also mean that it does not have a beginning and end, a fixed sequence of events. It is static, at rest. It is moving. The ingredients within a process interact, each affects all the others.’

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Before communication can take place, an idea or a purpose in the form of a message or information is needed for the purpose of conveying it to the intended receiver of such a message. The message is converted into a symbolic form and passed along some channel to the receiver who translates the message into a meaning. Thus, the transference of meaning has taken place from one person to another.

11.2.2 Essential Elements of Communication

Let us now study the essential elements of communication.

Source: This is the source of information or the initiator of communication. This source or message sender may want to communicate his ideas, needs, intentions or other pieces of information.

Encoding: Encoding is the process inside the human mind or brain in the form of motor skills, muscle system or sensory skills that encode the ideas to be conveyed into a series of symbols or gestures or some other format of expression.

The message: The message is the physical form of the thought that can be experienced and understood by one or more senses of the receiver. It could be in such forms that require either hearing, reading or other forms of physical gestures.

Channel of communication: It is a vehicle used in the transmission of the message. It is a medium carrier that bridges the gap between the sender and the receiver. It may be a face-to-face conversation, a telephone conversation, in written form or through any other form of physical gestures.

Reception of the message: The message is received by the person for whom it was meant and he becomes the receiver of the message.

Decoding process: Decoding is done in the same manner as encoding by motor skills, muscle system and sensory skills, and the receiver decodes the message for the purpose of interpreting and understanding the meaning of the message. The more the sender's intended message matches the receiver's understanding, the more effective the communication is.

Action: This is the response from the receiver who has received and accepted the communication. This may involve compliance with an instruction and acting upon it, or simply filing of the message for future references.

Feedback: A feedback determines whether the message was clearly understood and the required action taken. The feedback to the sender completes the process of communication.

11.3 BEHAVIOURAL COMMUNICATION AND USES TO BUSINESS

The individual differences which arise from the varied expression of feelings, thoughts and needs come under the ambit of behavioural communication. It can be considered

as a type of communication which has its focus on psychological constructs. The medium of such communication are indirect messages and behavioural impacts. This individual behaviour has an influence on the verbal as well as nonverbal communication of the individual. The behavioural communication can be studied through its various types including broad categories like assertive, aggressive, passive and passive-aggressive.

Uses in Business

The goal of every organization is to achieve efficiency. Behavioural communication assists the managers to grasp the behavioural environment in the organization:

- It helps managers identify the team dynamics
- It helps managers notice whether something is bothering the employees and how it can be sorted out
- It helps managers recognize problematic employees and resolve any issues they might be facing
- It helps managers gauge the level of motivation in the team
- It helps managers ensure that employees are loyal to the organization and ethical in their work
- It helps managers maintain a good relationship with the internal and external stakeholders
- It helps managers bring new clients to the organization

11.4 COMMUNICATION NETWORKS

A **communication network** is simply a diagram showing communication patterns or relationships that are possible within a group or among individuals. The structure of the group itself will determine the ease with which members can transmit information.

There are five different types of communication networks. The studies have been conducted in a laboratory setting so that research conclusions are limited to small groups. Let us assume for the sake of network discussion, that the group consists of five members. One of the objectives of the study was to evaluate the effect of the network's degree of centralization or decentralization in the communication process.

Three of the five networks reflected the centralized process in which information must flow through a central or a pivotal person. In contrast, in a decentralized network, each member has an equal opportunity to participate in the communication process.

The centralized networks are known as the 'chain', the 'wheel' and the 'Y' types.

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The chain is a typical network formation in a classical type of organization where the information flows only up or down in a hierarchical chain of command. No horizontal communication is provided. A 'wheel' network also known as a 'star' network represents a supervisor in the centre with four subordinates. The subordinates do not communicate with each other. All communications are channeled through the supervisor.

The 'Y' shape network is a four-level hierarchy, where two subordinates through the hierarchical chain report to the manager X who has two levels above him to whom he reports.

The two communication networks that are decentralized are the 'circle' and the 'all channel' network.

In a 'circle' network, members of the group interact with adjoining members and no others. The group may have a formal leader or the supervisor, the interaction is primarily lateral among members. This type of interaction is typically found in the autonomous work groups.

Finally in the 'all channel' or the 'completely connected' network, each of the members can communicate freely with the other four. Typically, there is no leader and the communication can be initiated by anyone, even though one member either formally or informally can become the dominant member, but without any dominating privileges.

Each one of these networks has some significant effect on the task performance. For example, members of decentralized networks report greater satisfaction than members of centralized networks. The more the centralization of the network, the lower the satisfaction. Thus the 'all channel' networks produce the highest satisfaction rates. Decentralized networks are also relatively advantageous where the tasks are complex requiring sharing of information and objective analysis by groups. When the tasks are comparatively simple and routine and have to be completed in a short time, centralized networks are more effective.

In summary, formal communication networks play a significant role in several aspects of organizational behaviour and an understanding is necessary as to which type of network is most useful in the areas of information flow, decision making and satisfaction as well as commitment of group members.

The informal communication network, also known as the 'grapevine', exists in every organization and it cuts through the formal lines of communication. While it is necessary to have a formal organization structure for communication channels, since an effective communication network with clear flow of communication may 'regulate behaviour, encourage innovation, integrate or coordinate activities and inform or instruct employees', it is also very beneficial to attend to informal channels of communication, that can communicate important matters to the management that would not be feasible through formal channels.

This type of communication is more lateral in nature and is built around the social relationship and social interaction among the members of the group. This informal communication can be considered as a beneficial safety valve capable of carrying important information quickly and accurately. It can also be considered as destructive, focusing on its capacity to spread rumours, destroy morale, misinform and create interpersonal problems.

There are some problems with the hierarchical channels of communication that can be minimised through informal channels of communication. According to A.K. Mazumdar, such problems are as follows:

1. The mass of information that is generated everyday, if communicated through formal channels, will create a bottleneck in the speedy flow of information at any level in the hierarchical structure.
2. Due to several levels in the hierarchical process, much of the information is lost or distorted at each step, since each person at each level may perceive the information in a different perspective. According to Ralph G. Nichols, 'There is tremendous loss of information—37 per cent between the board of directors and the vice-presidential level. General supervisors get about 56 per cent of the information, plant managers and general foremen receive only 30 per cent of what has been transmitted downward to them. An average of only 20 per cent of the communication sent downwards through the five levels of management finally gets to the worker level.'
3. There can be some distortion in information to be communicated in what is known as 'protective screening.' A subordinate is likely to report to his superior only that portion of the information that is favourable and either ignores or distorts the information that is unfavourable to him.

Is the grapevine desirable from the organization's point of view and is the information that flows along the grapevine accurate? Evidence indicates that at least 75 per cent of the non-controversial organization-related information is basically correct. The grapevine can keep employees informed about any important organizational concerns such as job security. It can also provide a test for employee reactions to proposed organizational changes before making formal commitments. Keith Davis has suggested that grapevine channel of communication should complement the formal channel of communication so that they both have a synergetic effect for the benefit of the organization.

It can also become a real problem when it generates unfounded rumours. A rumour is an unverified belief that is in general circulation. Rumours emerge as a response to a situation that is important to the group members and there is sufficient ambiguity to cause anxiety. A rumour, as it is passed along can either become highly complex so that the entire meaning is changed at the end, or it becomes oversimplified so that some difficult to remember but important details will be omitted before it reaches the final receiver. For example, a rumour that begins with: 'Paul Jones was laid off because of installation of that new automated casting

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machine. They think he will be back on another job soon' may end up as: 'Word is that automation will cost a lot of jobs around here. Some guys are already gone.'

The above rumour may gain significance if the economic climate and unemployment rate are alarming.

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11.5 TYPES OF COMMUNICATION

Let us now study the types of communication. One of the basic foundations of the organizational operations is the communication between superiors and subordinates in the hierarchical system. Traditionally, the dominant theme in this type of organizational communication has been the 'downward' communication as far as the operational instructions and directions are concerned and 'upward' communication as far as operational reports and other feedback to management is concerned.

The downward communication is from the superior to the subordinate or from the top management to workers through the various hierarchical communication centres in between and may include such standard managerial tools as statement of the organizational philosophy and organizational objectives, standard operating procedures, standard quality control procedures, safety regulations and other relevant material. Downward channels are used to give employees work instructions and other information needed to exercise the delegated authority. In order for this communication to be effective, the workers should not only be told what to do but also why they are doing it and why their work is important to the organization. This increases a feeling of acceptance on the part of workers. It is also important that the communication be transmitted to workers in the language that they can understand. For example, a machine operator may not understand much about organizational philosophy or any specialized terminology about strategic planning or technological dynamics. The workers must be communicated in their own words and perceptions. Also most workers are conditioned to accept communication from their immediate superiors and hence the message must be filtered down through normal channels and edited on the way down for the sole purpose of simplification wherever necessary without losing the content or intent of the message. It is important however, that there is no communication breakdown at any level or from any source. This breakdown may occur due to the failure of the message to get through, failure to deliver the message at the proper time or improper coding of the message. The message must be coded in the language of the receiver rather than in the language of the sender.

'Upward' communication moves in the opposite direction and is based upon the communication demand system designed by management to receive information from operational levels. This information may consist of standard reporting items such as production reports. The top management that is always concerned with

improvements and higher productivity or that wants to know the reactions of employees to certain productivity or that wants to know the reactions of employees to certain policy or procedure changes and the effectiveness of the operational instructions issued will be isolated if there is no or poor upward communication. According to Esther R. Becker, upward communication provides a clear channel for funnelling information, opinions and attitudes up through the organization. The organization must provide a climate and an incentive system which is necessary to encourage such upward communication. This climate can be generated by an 'open door' policy where the workers know that their superiors are always available for discussion of problems and concerns. This system must ensure that the superiors have developed listening skills as well as a sincere and sympathetic attitude towards the worker's problems. This opportunity for upward communication encourages employees to contribute valuable ideas for improving organizational efficiency. The participative decision techniques can develop a great deal of upward communication by either informally involving subordinates or formally allowing their participation. Thus the upward informational feedback can be gainfully utilized in decision centres to assess the results of organizational performance and to make necessary adjustments to attain organizational objectives.

In addition to upward and downward communication, there is also 'horizontal' or 'lateral' communication among equals. This is more informal in nature and is necessary in promoting a supportive organizational climate. For example, supervisors at the same level but from different departments, having lunch or coffee together can discuss and organize their activities in such a manner that they complement each other and the process is beneficial to the company as a whole. It provides a means by which managers at the same level of organization coordinate their activities without referring all the matters to their superiors. This type of communication is particularly frequent between the line and the staff units. Production and marketing managers communicate with each other often.

Wenburg and Wilmont suggest that instead of communication being 'upward' or 'downward' which is inter-communication, it should be 'transactional' communication which is mutual and reciprocal because, 'all persons are engaged in sending (encoding) and receiving (decoding) messages simultaneously. Each person is constantly sharing in the encoding and decoding process and each person is affecting the other.' In the transactional process, the communication is not simply the flow of information, but it develops a personal linkage between the superior and the subordinate.

11.5.1 Communication Technologies

The application of new technology for the communication of information includes computerized information processing systems, new forms of telecommunication systems and a combination of the two. The advancements in technology have introduced different methods of communication such as e-mailing, faxing, home banking, videoconferencing, voice mails, and text messaging, etc. The main challenge

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for the future is to integrate the various technologies and to ensure that the social structures and power relationships in organizations are congruent with the new electronic office systems. The drawbacks of new technology are perceived in the form of information overload, loss of records in the paperless office, and the dehumanizing impact of electronic equipments. However, new technology will help in the dissemination of new ideas and practices, and in the process, organizations will become knowledge-based organizations.

11.6 COMMUNICATION BARRIERS

The communication must be interpreted and understood in the same manner as it was meant to be by the sender, otherwise it will not achieve the desired result and a communication breakdown will occur. There are external roadblocks to effective communication such as poor timing of communication, poor choice of channel of communication, incomplete, inadequate or unclear information, and network breakdown, that can affect the proper reception of the communication. In addition, a person may interpret the communication not in the same manner as it was intended by the sender but in a way in which he wants to receive, depending upon the stimuli present, emotions or prejudices for or against a concept or ideology or personal conflicts so that instead of interpreting the content of the communication, the intent of the sender may be interpreted. According to Rogers and Roethlisberger, the communication effectiveness is always influenced by 'our very natural tendency to judge, to evaluate, to approve or disapprove the statement of the other person or other group.' This evaluation tendency may alter the meaning of the entire communication. Accordingly, the management should not only attempt to eliminate all external barriers so that the communication is clear and to the point, but also try to understand the perceptions and attitudes of the receiver. Only then can the communication have its maximum effect.

Some of the organizational barriers to communication and non-verbal communication and some of the interpersonal barriers to effective communication are discussed as follows.

11.6.1 Noise Barriers

Noise is any external factor that interferes with the effectiveness of communication. The term is derived from noise or static effects in telephone conversation or radio wave transmission. It may cause interference in the process of communication by distraction or by blocking a part of the message or by diluting the strength of the communication. Some of the sources contributing towards noise factor are:

Poor timing: The manager must know when to communicate. A message that requires action in the distant future may be forgotten by the time action is to be taken. Similarly, a last minute communication with a deadline may put too much pressure on the receiver and may result in resentment. A message must be sent at an appropriate time to avoid these problems.

Inappropriate channel: Poor choice of channel of communication can also contribute towards the misunderstanding of the message. The manager must decide whether the communication would be most effective if it is in writing or by a telephone call or a face-to-face conversation or a combination of these modes. If the communication has been initiated through a telephone call, then it may be necessary to confirm the message of the call by putting it in writing. The face-to-face communication emphasizes the strength of the message because it is supported by nonverbal gestures such as eye contact, hand gestures, facial expressions, and tone of voice.

Improper or inadequate information: The information must be meaningful to the employee. It must be precise and to the point. Too little or too much information endangers effective communication. Ambiguity or use of words that can lead to different interpretations should be avoided.

Physical distractions: The manager must recognize that in the case of face-to-face communication, any distractions can interfere with the process. Telephone interruptions, walk-in visitors or attending to other matters can interfere with the effective communication process. These external disturbances must be avoided.

Organizational structure: The organizational structure should be such that the chain of command and channels of communication are clearly established and the responsibility and authority are clearly assigned and are traceable. Communication may be blocked, chaotic or distorted if the channels are not clear or if the passages are blocked or if there are bottlenecks or deadends.

Information overload: As dynamic changes are continuously occurring in our life, in our society and in our organizations, they create a mass of information to be processed for effective decision making. Overload occurs when individuals receive more information than they are capable of processing. The result could be confusion or some important information may be laid aside for the purpose of convenience.

Network breakdown: The Network breakdown may be intentional or due to information overload and time pressures under which a communication has to be acted upon. Some factors contributing to such disruptions are:

- Important negative information may be withheld by the managers.
- The secretary may forget to forward a memo.
- There may be professional jealousy resulting in closed channels.

11.6.2 Interpersonal Barriers

There are many interpersonal barriers that disrupt the effectiveness of the communication process and generally involve such characteristics of either the sender or the receiver that cause communication problems. Some of these are:

Filtering Filtering refers to intentionally withholding or deliberately manipulating with the information by the sender, either because the sender believes that the receiver does not need all the information or that the receiver is better off not

NOTES

NOTES

knowing all aspects of a given situation. It could also be that the receiver is simply told what he wants to hear.

The extent of filtering may also depend upon the number of levels in the organizational structure. The more vertical levels there are, the more likely the filtering.

Semantic barriers These barriers occur due to differences in individual interpretations of words and symbols. The words and paragraphs must be interpreted with the same meaning as was intended. The choice of a wrong word or a comma at a wrong place in a sentence can sometimes alter the meaning of the intended message. Many times, we have to explain that 'it was not what I meant' or 'you misunderstood my message' and so on, due to poor choice of words. For example, a night club advertisement sign, that reads 'Clean and decent dancing every night except Sunday,' could lead to two interpretations. First that there is no dancing on Sundays and second, that there is dancing on Sundays but it is not clean and decent. Similarly, when discussing a problem employee, a departmental head may tell his assistant 'to get rid of the problem.' He may mean to warn the employee or transfer him to another department. But the assistant may fire the employee believing that this was what was meant in the message. Accordingly, it is advised that if there is any ground for misunderstanding in a message, it be confirmed with the sender. For example, if you are giving your address to someone on the telephone, it is advisable that the receiver repeat this address so that the sender can verify it right away to reassure its accuracy.

Perception Perception relates to the process through which we receive and interpret information from our environment and create a meaningful world out of it. Different people may perceive the same situation differently. Hearing what we want to hear and ignoring information that conflicts with what we know can totally distort the intent or the content of the message.

The management must realize and recognize these differences in perceptions and take steps to understand the environment. A successful manager must be aware of the impact of factors that affect perception by interaction with others and should also possess the ability to influence or change the perceptions of others where necessary so that events and situations are interpreted as accurately and objectively as possible. For example, an employee may resist a message simply because he has not developed a trust in the manager due to past experiences. If he was promised a bonus or promotion on certain accomplishments and did not receive the promised rewards, he may tend to ignore the communication wherever possible. Accordingly, the manager must take steps to eliminate such negative perceptions among the employees.

11.6.3 Cultural Barriers

The cultural differences can adversely affect the communication effectiveness, specially for multinational companies and enterprises with a multi-ethnic workforce. Some examples are as follows:

- (a) Advertisement about Action Man Soldier toys, where toy soldiers were in tanks holding machine guns, was not permitted in West Germany where they were interpreted as promoting violence.
- (b) In Austria and France, children are not permitted to do television commercials.
- (c) Most Jewish people will not work on Saturdays and most Muslims will not work on Friday afternoons.
- (d) Establishing deadlines to accomplish work assignments is considered rude in most Middle East countries.
- (e) Punctuality in some countries is not considered important.
- (f) Many important meetings and activities are contemplated after consultations with astrologers in India.
- (g) 'Coke adds life' may be misinterpreted as a device for long life.

Accordingly the management must recognize these barriers as culturally based and identify these cultural differences and attempt to minimize any adverse effects on communication effectiveness due to these differences.

11.6.4 Sender Credibility

When the receiver believes the sender of the communication has high credibility the message is taken much more seriously and accepted at face value. If the receiver has confidence, trust and respect for the sender, then the decoding and the interpretation of the message will be closer to the intended meaning of the sender. Conversely, if the sender is not trusted, then the receiver will scrutinise the message closely and deliberately look for hidden meanings or tricks and may end up distorting the entire message. Similarly, if the source is believed to be an expert in a particular field then the listener may pay close attention, and believe the message specially if the message is related to the field of expertise. For example, an expert nuclear engineer may be viewed as a credible source on building a nuclear power plant and may be totally disregarded regarding his views on abortion.

11.6.5 Emotions

The interpretation of a communication also depends upon the state of the receiver at the time when message is received. The same message received when the receiver is angry, frustrated or depressed may be interpreted differently than when he is happy. Extreme emotions are most likely to hinder effective communication because rational judgments are replaced by emotional judgments.

11.6.6 Multi-meaning Words

Many words in the English language have different meanings when used in different situations. Accordingly, a manager must not assume that a particular word means the same thing to all people who use it. A study by Lydia Strong concluded that for

NOTES

NOTES

the 500 most common words in English, there were 4,070 different dictionary definitions. For example, the word 'run' can be used in 15 different ways. Some of the examples are:

- Babe Ruth scored a 'run'.
- She has a 'run' in her stocking.
- Did you see him 'run'?
- What headlines do you want to 'run' today?
- There was a 'run' on the bank today.
- Who will 'run' for president this year?
- Please 'run' my bath water.

Accordingly, managers must make sure that they use the word in the same manner as the receiver is expected to understand it, otherwise it will create a barrier to proper understanding of the message.

11.6.7 Feedback Barriers

The final source of communication process problems lies in the feedback or lack of it. Feedback is the only way to ascertain as to how the message was interpreted. Feedback closes the communication loop and is important for effective communication. It is equally important to pay attention to feedback. The feedback may be for the purpose of communicating the results of an action or it may be for asking questions about communication for further clarifications. A student who misunderstands a question in the exam but does not have the provision to ask for clarification may end up giving the wrong answer. The omission of feedback can cause another problem in that the sender may have another message that depends upon the response to the first message. Thus no feedback or wrong feedback will create problems with the communication of the subsequent message.

11.7 OVERCOMING COMMUNICATION BARRIERS

It is very important for the management to recognize and overcome barriers to effective communication for operational optimization and this would involve diagnosing and analyzing situations, designing proper messages, selecting appropriate channels for communicating these messages, assisting receivers of messages in correct decoding and interpretation and providing an efficient and effective feedback system. Some of the steps that can be taken in this respect are as follows:

Feedback and upward communication: Feedback helps to reduce misunderstandings. Information is transferred more accurately when the receiver is given the opportunity to ask for clarifications about the message. Two-way communication, even though more time consuming, avoids distrust. It leads to

trust and openness that builds a healthy relationship contributing to communication effectiveness. Upward communication is strengthened by keeping an open door policy and providing opportunities to workers to give their suggestions which the management should acknowledge and take appropriate action.

Improve listening skills: According to Stuart Chase, 'listening is the other half of talking'. It is a very important part of the communication process. Listening is an active mental process and goes beyond simply hearing. Good listening habits lead to better understanding and good relationships with each other.

Guidelines for Effective Listening

- (a) Listening requires full attention of the speaker. Do not let your mind wander or be preoccupied with something else, otherwise you would not be able to grasp the meaning of the message in its entirety.
- (b) The language used, tone of the voice and emotions should receive proper attention. Listen for feelings in the message content and respond positively to these feelings.
- (c) Ask questions to clarify any points that you do not understand. Reflect back to the speaker with your understanding of what has been said.
- (d) Make sure that there are no outside interruptions and interferences during the course of the conversation.
- (e) Do not prejudice or value the importance of the message due to your previous dealings and experiences with the sender or your perceptions about him, positive or negative.
- (f) Don't jump to conclusions before the message is over and is clearly understood.
- (g) Summarise and restate the message after it is over to doubly make sure about the content and the intent of the message.

Develop writing skills: Clearly written messages can help avoid semantic and perception barriers. Well-written communication eliminates the possibility of misunderstandings and misinterpretations. When writing messages, it is necessary to be precise thus making the meaning as clear as possible so that it accomplishes the desired purpose. Robert Degise gives the following suggestions for effective written communication:

- (a) **Keep words simple.** This will reduce your thoughts to essentials and the message will be easier to understand by the receiver. The message will be lost if the words are complex and do not lend to a single meaning.
- (b) **Do not be bogged down by rules of composition.** While the rules of grammar and composition must be respected, they should not take priority over the ultimate purpose of the communication.

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(c) **Write concisely.** Use as few words as possible. Do not be brief at the cost of completeness, but express your thoughts, opinions and ideas in the fewest number of words possible.

(d) **Be specific.** Vagueness destroys accuracy that leads to misunderstanding of the meaning or intent of the message. Accordingly, be specific and to the point.

Avoid credibility gaps: Communication is a continuing process and the goal of communication is complete understanding of the message as well as the creation of trust among all members of the organization. Accordingly, the management must be sincere and should earn the trust of the subordinates. Management should not only be sensitive to the needs and feelings of workers but also its promises should be supported by actions. The word of the management should be as good as a bond. Only then would an atmosphere of congeniality accrue, that would enhance the communication process. According to studies conducted by J. Luft, openness and an atmosphere of trust builds healthy relationship and closes credibility gaps, thus contributing to communication effectiveness and enhancement.

Check Your Progress

1. Identify the essential elements of interpersonal communication.
2. Name the types of interpersonal communication.

11.8 ANSWERS TO CHECK YOUR PROGRESS QUESTIONS

1. The essential elements of interpersonal communication are the following:
 - Source
 - Encoding
 - The message
 - Channel of communication
 - Reception of message
 - Decoding process
 - Action
 - Feedback
2. The types of interpersonal communication are oral communication, written communication and non-verbal communication.

11.9 SUMMARY

- Management depends upon communication to achieve organizational objectives. Since managers work with and through other people, all their acts, policies, rules, orders and procedures must pass through some kind of communication channel.
- There are three primary methods of communicating in organizations. These are written, oral and non-verbal.
- Some of the meaningful communication is conveyed through non-verbal ways. Even some of the verbal messages are strengthened or diluted by nonverbal expressions.
- A communication network is simply a diagram showing communication patterns or relationships that are possible within a group or among individuals. The structure of the group itself will determine the ease with which members can transmit information.
- One of the basic foundations of the organizational operations is the communication between superiors and subordinates in the hierarchical system.
- ‘Upward’ communication moves in the opposite direction and is based upon the communication demand system designed by management to receive information from operational levels.
- The application of new technology for the communication of information includes computerized information processing systems, new forms of telecommunication systems and a combination of the two.
- The communication must be interpreted and understood in the same manner as it was meant to be by the sender, otherwise it will not achieve the desired result and a communication breakdown will occur.
- There are many interpersonal barriers that disrupt the effectiveness of the communication process and generally involve such characteristics of either the sender or the receiver that cause communication problems.
- The cultural differences can adversely affect the communication effectiveness, specially for multinational companies and enterprises with a multi-ethnic workforce.
- It is very important for the management to recognize and overcome barriers to effective communication for operational optimization and this would involve diagnosing and analyzing situations, designing proper messages, selecting appropriate channels for communicating these messages, assisting receivers of messages in correct decoding and interpretation and providing an efficient and effective feedback system.

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NOTES

11.10 KEY WORDS

- **Kinesics:** It is defined as the physical movements or body language.
- **Semantic barrier:** This barrier occurs due to differences in individual interpretations of words and symbols.

11.11 SELF ASSESSMENT QUESTIONS AND EXERCISES

Short Answer Questions

1. Write a short note on the types of communication networks.
2. Briefly mention the use of communication technologies in the present global scenario.
3. Give examples of horizontal and lateral communication in an organization.
4. How does behaviour of an individual influence organizational communication?

Long Answer Questions

1. Differentiate between upward communication and downward communication.
2. Describe the various interpersonal barriers which obstruct interpersonal communication.
3. Discuss the essential steps to be taken for overcoming communication barriers.

11.12 FURTHER READINGS

- Robbins, Stephen P. 2010. *Organizational Behaviour*. New Delhi: Prentice Hall.
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BLOCK - IV
CHALLENGES AND ORGANIZATIONAL
DEVELOPMENT

Organizational Change

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UNIT 12 ORGANIZATIONAL
CHANGE

Structure

- 12.0 Introduction
- 12.1 Objectives
- 12.2 Meaning, Nature and Importance of Organizational Change
 - 12.2.1 Levels of Change
 - 12.2.2 Importance of Change
 - 12.2.3 Change Process
 - 12.2.4 Causes of Change
 - 12.2.5 Forces that Introduce Change
 - 12.2.6 Proactive vs. Reaction Change
 - 12.2.7 Stability Vs. Change
- 12.3 Managing Change
- 12.4 Resistance to Change
- 12.5 Answers to Check Your Progress Questions
- 12.6 Summary
- 12.7 Key Words
- 12.8 Self Assessment Questions and Exercises
- 12.9 Further Readings

12.0 INTRODUCTION

In the previous unit, you studied about interpersonal communication. This unit deals with the concept of change. Change is a phenomenon that pushes us out of our comfort zone. It is for the better or for the worse, depending on how it is viewed. Change has an adjustment timeline that varies from person to person. Change has a negative effect on those who do not want to let go. Being flexible is the key. For instance, a roller coaster ride can symbolically be indicative of change—it can be fun if you know when to lean and create balance. Change is not related to the mantra ‘just hang in there’, but the mantra ‘you can make it’. It is not associated with worrying. Change spurs you to achieve your best. It will cause you to learn.

12.1 OBJECTIVES

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After going through this unit, you will be able to:

- Analyse the significance of organizational change
- Discuss the causes of change
- Differentiate between proactive and reactive change
- Identify the steps which assist in managing organizational change
- State the sources of resistance to change

12.2 MEANING, NATURE AND IMPORTANCE OF ORGANIZATIONAL CHANGE

If we see around us, life is changing every moment. *Maya*, the Sanskrit word, means ‘life is an illusion’—the world around us is steady and not changing. A good leader looks beyond the illusion of ‘changelessness’ and unearths opportunities for **change**. There have been several passionate arguments put forward by academics about which comes first—a change in attitude or a change in behavior. In organizational terms, this means do we help the people challenge their beliefs and thus bring about behavioural change, or do we encourage them to experiment with behavioural change in the hope that different results will revolutionize their thinking. Well, the answer is both.

Change takes place even when employees do not believe it will. They may not be susceptible to change or even detest the idea of behaving differently, but as long as they stay open to the possibility, they are on the road to change. This is because the act of doing something differently will start to influence their belief systems. In addition, the response received from others will reinforce the new behavior. For example, a CEO of an organization might want to be less positioned, more flexible and visibly vulnerable in looking for conflict resolutions vis-a-vis peers. However, this CEO might have a dualistic approach to thinking—perceiving two alternatives to every problem: ‘him’ or ‘they’. Thus, from this perspective, there could only be one ‘winner’, and the CEO will obviously be determined to win.

The management should realize the value of effective employees’ cooperation and collaboration, and motivation in the workplace. Before putting into practice a change in an organization, managers should understand that different people hold dissimilar opinions about change. Also, not all employees are candid and willing to be straightforward with their managers. Therefore, managers should have the initiative to interact with all employees and keep them informed about any organizational change. By communicating and listening to employees, managers can be aware of their unfulfilled needs and resistance to change. In other words,

the communication should be improved between managers and employees, in places where employees are not too keen on change.

While implementing organizational change, managers should be able to understand employees' attitudes, but also they should keep in mind how the employees feel. As leaders, managers should guide and direct employees along the organizational change process, appreciate the significance of employees' motivation to proceed with change, and be open to new ideas that come from employees. Listening and explaining to employees is an essential process to convince them about the projected benefits that are expected from the introduced change.

As soon as the change is implemented, managers should continue to communicate with employees about the benefits of the new working environment. This will promote an open exchange of ideas and information among all parties. By being helpful, managers can discover to what extent change affects employees and take remedial actions immediately to support them. For example, managers should be aware that although organizational change impacts that bring positive results into the industry do not necessarily bring about the same outcome to employees. Change of a working system may increase employees' income with extra workload which can in turn creating fatigue and low spirits.

12.2.1 Levels of Change

There are various levels within the organizational domain where changes can be brought about for operational enhancement of the organization as well as desirable behaviour of members. The various types of changes that can have considerable impact on the organizational culture are:

Strategic change: This is a change in the very mission of the organization. A single mission may have to be changed to multiple missions. For example, when British Airways acquired a major part of US Air, the culture of the entire organization had to be modified to accommodate various aspects of American organizational culture into the British organizational culture.

Structural change: Decentralized operations and participative management style have been seen as more recent trends in the organizational structure. Since these structural changes shift the authority and responsibility to generally lower level management, it has a major impact on an organization's social climate and members have to be prepared to develop a team spirit as well as acquire skills to make on-the-spot decisions at points of operations.

Process-oriented change: These changes relate to technological developments, information processing, automation and use of robotics in the manufacturing operations. This means replacing or retraining personnel, heavy capital equipment investment and operational changes. This would affect the organizational culture and hence changes in the behaviour patterns of members.

People-oriented change: Even though, any organizational change affects people in some form, it is important that the behaviour and attitudes of the members

NOTES

NOTES

be predictable and in accordance with the expectations of the organization and be consistent with the mission and policies of the enterprise. These changes are directed towards performance improvement, group cohesion, dedication and loyalty to the organization as well as developing a sense of self-actualization among the members. These can be developed by closer interaction with employees and by special behavioural training and modification sessions.

12.2.2 Importance of Change

This external environment affects the organizations both directly and indirectly. The organizations have no control over the variables in such an environment. Accordingly, the organizations cannot change the environment but must change themselves to align with the environment.

External forces for change arise from general environment as well as from task environment. The general environment that affects the organizations indirectly consists of economic, political, legal, socio-cultural and technological forces and these forces keep the organizations alert so that they become aware of any changes in the direction and momentum of these forces. For example, when due to oil crisis, people started buying small fuel efficient cars from Japan, the American automobile manufacturers who were accustomed to producing large luxury cars, spent billions of dollars in the mid 1970s in retooling the new machinery to build smaller cars. Similarly, changes in laws regarding control of air pollution or dumping of chemical wastes and economical changes such as inflation rate, disposable money supply, unemployment rate – all constitute sources of change for the organizations. Social changes such as changes in the taste of clothing, or introduction of laptop or notebook computers made many companies large and successful while at the same time destroying many other companies who were slow or unwilling to adapt to the change.

Task-related environment has direct influence on the health of the organizations and it consists of customers, competitors, suppliers, labour, stockholders and so on. All these factors can induce a change in the organizational direction. Competitors can influence a change in an organization by the price structure and product lines. Price wars in airline fares have driven many airlines out of business. Stockholders can influence organizations because they can take action against the board of directors if they feel that the board is not acting in their best interests. Customers have been known to change their loyalty for better quality product and better service. Accordingly, organizations cannot rest on status quo and must remain dynamic and be able to change quickly to adjust to changed environment.

12.2.3 Change Process

Managers who are interested in implementing change are required to be aware of two important aspects of change: (1) Diagnosis and (2) Implementation

- 1. Diagnosis:** The first, most important stage of any change effort is diagnosis. Broadly defined, the skills of **diagnosis** include putting forward correct questions at correct time, assessing the organizational culture, developing the strategies for research and gathering information or data, and developing ways to process and interpret data. In diagnosing change, managers should attempt to find out: (a) what is *actually* happening now in a particular situation; (b) what is *likely* to happen in the future if no change effort is made; (c) what would people *ideally* want in a situation like this; and (d) what are the *blocks*, or restraints, stopping movement from the actual to the ideal.

There are two steps in the diagnostic process. These are discussed below.

- (i) **Point of view:** There are various people whose interests have to be protected by the organization. It is, therefore, necessary to decide from whose point of view you are to observe the organization and from whose point of view the change should be implemented—your own, your boss, your associates, your followers or an consultant? Ideally, to assess the complete problem, you need to examine the condition from the perspective of the person whose life would be influenced by the change. Their interest is of great importance for an organization to sustain and grow in the present fast-moving world.
- (ii) **Identification of problem(s):** Any change effort begins with the identification of problem(s). There exists a problem in a situation when what actually happens (the real) differs from what, according to you, should happen (the ideal). What is important is the end result that an organization can offer to its customers. Is the work group functioning in a harmonious manner? Is there a conflicting situation in the organization? If the response is in the negative for the former and positive in the latter, then there is a problem of behavioural nature and suitable change efforts may be required sooner than later. Before implementing any change, a leader will have to observe the battle indications in the organization. High level of absenteeism, more wastage in the use of raw materials, irrational behaviour of various employees, and not meeting various targets are enough indications to show that a problem exists, that it needs to be diagnosed and the kind of change required to be effected needs to be decided. The discrepancy may be in the end result variables like low production or insufficient sales by the marketing department. Alternatively, problems may exist in causal factors, that is, the independent variables like leadership style, motivation levels of the employees, or the delegation of authority and empowerment. Depending upon the situation, suitable change strategies may have to be employed by the organization.
- 2. Implementation:** It involves using the data collected during diagnosis to accomplish the targets and plan for the organizational change. Questions

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such as the following must be asked: How can change be affected in a work group or organization, and how will it be received? What is adaptive, and what is resistant to change within the environment?

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12.2.4 Causes of Change

Change is inevitable. Nothing is permanent, except for change. It is the management's duty to see that change is managed properly. Organizations must keep a watch on the environment and incorporate suitable changes that the situation may demand. Change is a continuous phenomenon. Organizations must be proactive in effecting change. Even in the most stable organizations, change is necessary just to maintain a certain level of stability. The major environmental forces that make change necessary are technology, market forces and socio-economic factors. Resistance to change is counterproductive for growth and destructive by nature; it is, therefore, undesirable. Managers must, hence, evolve policies to effect change. According to Barney and Griffin, 'the primary reason cited for organizational problems is the failure by managers to properly anticipate or respond to forces for change'.

The following are the characteristics of change:

- Change refers to any alteration that occurs in the overall work environment of an organization. It relates to changes in technology, organizational structure, working processes, work environment, organizational policy and the roles people play.
- The introduction of change in one part of an organization forces a change in other parts of the organization. If the change is beneficial, people accept it willingly. If it is not desirable, there is great resistance. If it is of no consequence to the people, they may adopt an attitude of indifference.
- If they consider the change detrimental to their growth and prosperity, they may resist through counter pressure. This reaction is based on their perception of the change and not necessarily on reality or facts.

There are various factors that must be considered in order to implement change. Organizations undergo change because of several reasons. Some of the external causes are as follows:

- Government policies
- Economic changes
- Competition from peers
- Cost of raw materials
- Pressure groups/lobbies
- Information technology
- Scarcity of labour

- Societal pressures
- Legal requirements

Some of the internal causes are as follows:

- Leadership changes
- Decline in profitability
- Change in employee profiles
- Trade unionism
- Low morale

The organizational changes that are commonly seen in the contemporary world are downsizing/rightsizing, introduction of new technology, mergers and acquisitions.

12.2.5 Forces that Introduce Change

There are two major forces that introduce changes. These are:

1. External reasons

Technology is a major external force that calls for change. In recent times, information technology (IT) has had a remarkable impact on the ability of managers to use information to arrive at a decision. Storage, retrieval of information and its utilization are important aspects of technology. Where human beings cannot operate, robots has been introduced to work for and on behalf of human beings. Financial decisions, operations, product features, new product development, market potential and marketing strategies are changing at a fast pace and organizations must carry out appropriate and timely change so as to avoid being left behind in the race. With liberalization, the market has become one large entity. Organizations must, therefore, be highly sensitive to changes in the external environment. The external environment is task-related and general in nature. A task-related environment has a direct influence on the health of an organization. It consists of customers, competitors, suppliers, labour and stakeholders. All these factors induce change in the organization. The general environment consists of political, legal, economic, socio-cultural and technological forces and change in government polices or fiscal policies that have a direct impact on the organization. For example, a change in the needs, expectations and desires of society for housing has changed the outlook of the financial sector and loans are now easily available to all sections of society.

2. Internal reasons

Once organizations adapt to external change, the managers have to take appropriate steps as far as internal systems are concerned—change of process, modification to human behaviour, training and development of the workforce based on new technology and adopting new polices that are beneficial to the organization. Owing to current social changes in which women are taking up jobs in greater numbers,

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childcare, more and frequent rest periods and greater flexibility of time may be necessary. Workers are more educated and are aware of their duties and rights. This may necessitate change in corporate policies towards wage and salary structure and implementation, promotion policy and management obligation towards them. Customers, shareholders, boards of directors and employees may bring about changes in the internal environment. These, however, have to be in line with the external factors and not arbitrary. Change, which is deliberately designed and implemented, is 'planned change'. This is carried out to counter threats and encash opportunities. 'Reactive changes' are unknown and caused as a response to sudden surprises like change in price of a particular product. It is, therefore, necessary that the management is 'proactive' in incorporating change with fewer surprises. It must build on the organization's strengths and take appropriate preventive actions on its weaknesses in order to be competitive in the marketplace.

12.2.6 Proactive Vs. Reaction Change

According to Nadler discontinuous change involves a break from the past and a major reconstruction of the entire organization. Reactive change occurs when an organization must respond to environmental changes. Nadler et al., refer to anticipatory change as occurring when an organization acts in anticipation of changes that may occur in the future. Whereas incremental and discontinuous changes refer to the continuity of change, reactive and anticipatory changes address the timing of it. These four types of change also differ by their driving force, focus, pacing, and approach to management, and each has different implications for organizational behaviour. For instance, an organization that experiences both reactive and incremental change typically expresses an adaptive behaviour, whereas an organization experiencing discontinuous and anticipatory change may focus on reorienting itself by fundamentally redefining itself. Unplanned change usually occurs because of a major, sudden surprise to the organization, which causes its members to respond in a highly reactive and disorganized fashion. Unplanned change might occur when the Chief Executive Officer suddenly leaves the organization, significant public relations problems occur, poor product performance quickly results in loss of customers, or other disruptive situations arise. Planned change occurs when leaders in the organization recognize the need for a major change and proactively organize a plan to accomplish the change. Planned change occurs with successful implementation of a Strategic Plan, plan for reorganization, or other implementation of a change of this magnitude. Note that planned change, even though based on a proactive and well done plan, often does not occur in a highly organized fashion. Instead, planned change tends to occur in more of a chaotic and disruptive fashion than expected by participants.

12.2.7 Stability Vs. Change

In every organization, there are found two types of forces: forces of stability and forces of change. It depends on the management to find a balance between the two or give more priority to one and less to another.

Three factors make up the forces of stability in an organization: consistency, maintaining the status quo and predictability. The strategic vision and process are very clearly prescribed and followed within a set structure in such organizations. Some examples of forces of stability are: Mature company hierarchy, Job security, Logical order and flow, Continuity in task or project management, Predictability in role's responsibilities, Confidence in taking risks to find solutions, Formalization of policies and procedures and Consistency and standardization in work.

The factors which define the forces of change in an organization are flexibility and adaptability. These types of organization are more insistent on innovating, setting themselves apart and improving at every stage. Some examples of forces of change in an organization are exploring opportunities for growth and development, adapting to customer feedback, analysing and facing competitive pressure, seeking out creative solutions to problems or challenges, innovating to improve employees or the organization and expanding into new areas internally or externally.

It becomes the duty of the manager to balance the two forces in the organization as per the broad organizational objectives and vision.

Check Your Progress

1. Define strategic change.
2. List two characteristics of change.
3. What are the individual sources of resistance?

12.3 MANAGING CHANGE

Organizations must plan to implement change in a systematic manner. They must identify the field in which the change is required and ascertain whether it is strategic, structural, process-oriented or cultural. Changes can also be affected in all the areas concurrently, but it must be managed appropriately so that there is no bottleneck effect. Once the need for change is identified as also the area in which it is to be implemented, the following steps are suggested:

Step 1—Develop new goals and objectives

Objectives and goals that are derived out of mission statements may need revision due to changes in external or internal forces.

Step 2—Elect an agent for change

It is the responsibility of the management to entrust execution of change to the appropriate authority. A manager may be given this responsibility. A change agent can also be employed from outside for the purpose. A specialist or a consultant can be brought in to suggest change and monitor implementation.

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Step 3—Diagnose the problem

Diagnosis is the first step implementing change. If an organization has a large employee turnover, then the data must be collected and made available to the consultant so that the reasons for turnover can be identified and appropriate corrective measures can be selected. The process of identifying a problem is not as simple as it appears. This itself may need research.

Step 4—Select a methodology

It is easy, in corporate terms, to implement material change as a part of change in the system. What is important is to protect the emotions of the employees which must be considered during the selection of methods, so that it is easier to implement at a later stage.

Step 5—Develop a plan

If the organization wants to reduce employee turnover, it may carry out a comparative study of other organizations with respect to job content, reward system, employee performance appraisal system, promotion criteria, training and development and the strategy adopted by the organization for its growth. Based on the examination of these factors, the consultant in charge of this would be able to develop a plan for change. It may require introducing a new training and development policy that can reduce employee turnover. While developing a plan, various other factors must also be reviewed. Plans should not be finalized in isolation. All department heads must be co-opted in the exercise.

Step 6—Draw a strategy for implementation

Care must be taken to consider the timing of any change that is to be implemented. A deliberate decision must be taken in this regard. For example, in the case of a hike in the price of a product, the decision to implement change is critical. If the change is related to internal employees, it must be communicated at an appropriate time so that there is no resistance to planned change.

Step 7—Implement the plan

Once the decision to implement the plan and the mode by which the plan is to be implemented is decided, it is the responsibility of the various departments to implement the same. This may need notification, briefing sessions or inhouse seminars so as to ensure the acceptance of all members of the organizations, especially those who are likely to get affected. Implementation may be for a short duration as a one-time change of system or process but its aftermath is of great value. Employee reactions in terms of attitudes, aspirations, emotions and behaviour must be channellized in positive directions with change.

Step 8—Evaluate and give feedback

Organizational Change

The result of the change must be evaluated and suitable feedback given. If modification to training and development causes a decrease in employee turnover, the objective of the change would be deemed to have been achieved. If the results are contrary to expectation, then a new change may be required to diagnose the cause.

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12.4 RESISTANCE TO CHANGE

Although organizations initiate changes in order to adjust to the changes in their environments but people sometimes resist them. Therefore, managers need to recognize the manifestations of resistance both in themselves and in others, if they want to be more effective in supporting change.

The sources of resistance to change within organizations are classified into organizational sources of resistance and individual sources of resistance.

Organizational Sources of Resistance

According to Daniel Kantz and Robert L Khan, organizational sources of resistance can be divided into following six general groups.

1. Over determination or structural inertia refers to the tendency of an organization's rules, policies and structure to maintain the existing conditions and therefore resist change even when change would benefit the organization more than stability.
2. When an organization tries to change one of its division or part of the division without recognizing the interdependence of the division with other divisions of the organization, then it is said to have a narrow focus of change. Often a part of division cannot be changed without changing the whole division.
3. Group inertia may weaken an individual's attempt to bring about change.
4. Resistance may also take the form of threatened expertise if the change tends to weaken special expertise built after years of experience. Organizational restructuring that involves reducing the number of job categories often meets this kind of resistance.
5. Any change that may alter the power relationships within an organization may meet the form of resistance known as 'threatened power'.
6. Resistance may occur when a change threatens quantum of resource allocation from one part of the organization to another.

Individual Sources of Resistance

According to researchers, individuals have the following reasons for resisting change:

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- Simple habits create a lot of resistance. Most people prefer to do their work the way they did it last week rather than learn a new approach.
- Perhaps the biggest cause of employee resistance to change is uncertainty. In the face of impending change, employees are likely to become anxious and nervous. They worry about their ability to meet new job demands therefore, leading to feeling of job insecurity.
- Some people resist change to avoid feeling of loss. For example, many organizations change interventions and alter work arrangements, thus disrupting existing social networks. Social relationships are important to most people, so they resist any change that might adversely affect those relationships. Change may also threaten people's feelings of familiarity and self-confidence.
- People may resist change because their perceptions of underlying circumstances differ from the perceptions of those who are promoting the change.

Overcoming Resistance to Change

Managers need not abandon planned change in the face of resistance. Before recommending specific approaches to overcome resistance, there are three key conclusions that should be kept in mind. First, an organization must be ready for change. Second, the top management should inform the employees about the process of change. Third, the employees' perceptions or interpretations of a change should be considered.

The following methods of overcoming resistance to change are as follows:

- **Participation:** Participation is generally considered the most effective technique for overcoming resistance to change. Employees who take part in planning and implementing change are better able to understand the reasons for the change than those who are not involved. They become committed to the change and make it work. Employees who have the opportunity to express their own ideas and to understand the perspectives of others are likely to accept change gracefully. It is a time consuming process.
- **Education and communication:** Educating employees about the need for and the expected results of an impending change help reduce their resistance. Managers should maintain an open channel of communication while planning and implementing change. However, it is also a time consuming process.
- **Facilitation of change:** Knowing ahead of time that employees are likely to resist change then the manager should do as much as possible

to help them cope with uncertainty and feeling of loss. Introducing change gradually, making only necessary changes, announcing changes in advance and allowing time for people to adjust to new ways of doing things can help reduce resistance.

- **Force-field analysis:** In almost any situation where a change is being planned, there are forces acting for and against the change. In force-field analysis, the managers list each set of forces and then try to remove or minimize some of the forces acting against the change.
- **Negotiation:** Where someone or some group will clearly lose out in a change and where that group has considerable power to resist, there negotiation is required. Sometimes it is a relatively easy way to avoid major resistance.
- **Manipulation and cooperation:** This is followed when other tactics will not work or are too expensive. It can be quick and inexpensive. However, it can lead to further problems if people feel manipulated.
- **Explicit and implicit coercion:** This is adopted where speed is essential and where the change initiators possess considerable power. It is speedy and can overcome resistance.

Each of the above methods has its advantages and disadvantages. There is no universal strategy for overcoming resistance to change. Hence, an organization that plans to introduce certain changes must be prepared to face resistance from its employees. An organization should also have a planned approach to overcome such resistances.

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12.5 ANSWERS TO CHECK YOUR PROGRESS QUESTIONS

1. Strategic change is a change in the very mission of the organization. A single mission may have to be changed to multiple missions.
2. Two characteristics of change are the following:
 - Change refers to any alteration that occurs in the overall work environment of an organization. It relates to changes in technology, organizational structure, working processes, work environment, organizational policy and the roles people play.
 - The introduction of change in one part of an organization forces a change in other parts of the organization. If the change is beneficial, people accept it willingly. If it is not desirable, there is great resistance. If it is of no consequence to the people, they may adopt an attitude of indifference.
3. Individuals have the following reasons for resisting change:
 - Simple habits create a lot of resistance. Most people prefer to do their work the way they did it last week rather than learn a new approach.

- Perhaps the biggest cause of employee resistance to change is uncertainty. In the face of impending change, employees are likely to become anxious and nervous. They worry about their ability to meet new job demands therefore, leading to feeling of job insecurity.

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12.6 SUMMARY

- Change is a phenomenon that pushes us out of our comfort zone. It is for the better or for the worse, depending on how it is viewed. Change has an adjustment timeline that varies from person to person.
- A good leader looks beyond the illusion of ‘changelessness’ and unearths opportunities for change.
- The management should realize the value of effective employees’ cooperation and collaboration, and motivation in the workplace. Before putting into practice a change in an organization, managers should understand that different people hold dissimilar opinions about change.
- There are various levels within the organizational domain where changes can be brought about for operational enhancement of the organization as well as desirable behaviour of members.
- This external environment affects the organizations both directly and indirectly. The organizations have no control over the variables in such an environment. Accordingly, the organizations cannot change the environment but must change themselves to align with the environment.
- Managers who are interested in implementing change are required to be aware of two important aspects of change: (1) Diagnosis and (2) Implementation.
- Change is inevitable. Nothing is permanent, except for change. It is the management’s duty to see that change is managed properly.
- Technology is a major external force that calls for change. In recent times, information technology (IT) has had a remarkable impact on the ability of managers to use information to arrive at a decision.
- According to Nadler discontinuous change involves a break from the past and a major reconstruction of the entire organization.
- Organizations must plan to implement change in a systematic manner. They must identify the field in which the change is required and ascertain whether it is strategic, structural, process-oriented or cultural.
- Although organizations initiate changes in order to adjust to the changes in their environments but people sometimes resist them.
- Managers need not abandon planned change in the face of resistance. Before recommending specific approaches to overcome resistance, there are three key conclusions that should be kept in mind.

12.7 KEY WORDS

- **Change:** It is defined as the act or process of doing something different.
- **Stakeholder:** It is a party that has an interest in a business enterprise and can either affect or be affected by the business.
- **Equilibrium:** It is a balance between several different influences or aspects of a situation.

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12.8 SELF ASSESSMENT QUESTIONS AND EXERCISES

Short Answer Questions

1. Briefly mention the levels of change.
2. What are the causes of change?
3. Mention the steps which facilitate in managing organizational change.

Long Answer Questions

1. Evaluate the importance of organizational change.
2. Discuss the process of change.
3. Distinguish between proactive and reactive change.
4. What are the organizational sources of resistance to change? Discuss.
5. Explain the methods applied for overcoming resistance to change.

12.9 FURTHER READINGS

- Robbins, Stephen P. 2010. *Organizational Behaviour*. New Delhi: Prentice Hall.
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UNIT 13 ORGANIZATIONAL BEHAVIOUR: RESPONSES TO GLOBAL AND CULTURAL DIVERSITY

Structure

- 13.0 Introduction
- 13.1 Objectives
- 13.2 Challenges at International Level
- 13.3 Homogeneity and Heterogeneity of National Cultures
 - 13.3.1 Differences Between Countries
- 13.4 Answers to Check Your Progress Questions
- 13.5 Summary
- 13.6 Key Words
- 13.7 Self Assessment Questions and Exercises
- 13.8 Further Readings

13.0 INTRODUCTION

In the previous unit, you studied about the meaning, nature and causes of organizational change. The unit also dealt with the change process, individual and organizational factors which resist change and the methods which facilitate in managing change. This unit will deal with the poignant topic of how organizations worldwide are coping with cultural and global diversity with the sole aim of expanding their organization and maximising their profits.

In today's world, when the world has become a global village and virtual teams have taken place of physical ones, comprehending and respecting cultural diversity plays an even greater and vital role than ever before. It is when people work together with people from a cross-section of cultures and societies that we come to understand, learn, respect and value what others have to offer.

13.1 OBJECTIVES

After going through this unit, you will be able to:

- Identify the challenges faced by organizations at the international level
- Discuss the homogeneity and heterogeneity of national cultures

13.2 CHALLENGES AT INTERNATIONAL LEVEL

Organizational Behaviour:
Responses to Global and
Cultural Diversity

Although international business, to some degree, has existed for centuries, the second half of the last century was most influential in bringing the world closer to itself. The world, since 1950s has entered an era of unprecedented global economic activity, including worldwide production, distribution and global strategic alliances. More recently, in the last decade of the last century, India and China have opened up for entry of multinational companies. Some other closed markets under communism and social economies, such as one time Soviet Union and Eastern Europe have joined the international economic arena. Some multinational companies such as IBM, GE, BP and Siemens do business in more than 50 countries. According to Mitroft, “For all practical purposes all business today is global. Firms, industries and whole societies that clearly understand the new rules of doing business in a world economy will prosper; those that do not will perish.”

Culture defines behaviour of people and organizations and international managers are increasingly recognizing the influence of national culture on organizational functioning. They are being trained in acquiring the skills of cross-cultural management and they study the behaviour of people in organizational settings around the world. They seek to understand and improve the interaction with co-workers, clients, suppliers and alliance partners from different countries and cultures. Often multilingual, the global manager thinks with a world view and develops his strategy on the basis of diverse beliefs, behavior and practices of people of different countries. He adapts well to different business environments and solves problems quickly relative to the environment he is in. He understands and respects different government and political systems and he communicates in the cultural context of a given class of people. Experienced international managers understand the need for “global mindset” of cultural adaptability, flexibility, patience and respect.

According to Adler and Bartholomew, some of the skills and approaches required of global managers are as follows:

Global perspective: A global manager should broaden his focus from one or two countries to a global business perspective.

Cultural responsiveness: He should become familiar, understand and respect the diversity and variety of cultures in different countries. He should also learn the dynamics of multinational interaction and situations.

Cultural adaptability: In addition to cultural responsiveness, a global manager should be flexible enough to adapt to the culture of the people of the host country and be able to live and work with and among them. He should indulge in cross-cultural communication on a day-to-day basis, whether he is in the home country or the host country.

Acquired broad foreign experience: He should be exposed to a variety of experiences by serving in different countries, and this will expand his horizons of thinking and interaction.

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Understanding Cultural Differences

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The world has an extraordinary number of distinct cultures. In Africa alone, there are more than 800 separate cultures with distinct languages, customs and values and these are not entirely defined by national boundaries. China may have as many as 200 distinct cultural groups. Indian states are organized basically on the basis of language and each language specifies its own culture. Punjabi culture is different from Bengali culture. India being a secular country also has cultural differences on the basis of religions.

Then there are cultures within cultures. Nearly all societies have their sub-cultures and distinct groups. In the United States, for example, there is a visible difference between Caucasians, Americans and African-Americans, between Northerners and Southerners. Sometimes these sub-cultures clash with tragic results. In Nigeria, for example, an elitist tribal society had come close to committing mass genocide of Ebo tribe in Biafra. The violent tribal clashes in Rwanda and rivalry among warlords of Somalia and Afghanistan has resulted in the death of over one million people. Accordingly, an international manager is trained to be culturally sensitive. Cultural sensitivity implies that the individual has become sufficiently aware of these cultural differences to function effectively without becoming openly judgmental or taking sides with one group or the other.

People behave according to their values, beliefs and attitudes. From organizational behaviour point of view, global managers must understand and appreciate these values, beliefs and attitudes of the people of the host countries, in order to achieve success. Values are basic assumptions about how things should be in a given society. They are collective convictions regarding good or bad, important or trivial, ethical or non-ethical and so on. Values are ingrained in the social fabric and are difficult, if not impossible to change. Hindus do not eat beef because cow is considered holy. Muslims do not eat pork because it is considered unclean. Sikhs do not smoke because it is considered anti-social. These are values that have existed for centuries. In most Islamic countries, women are expected to cover themselves from head to toe. In Saudi Arabia, women are not allowed to drive a car. Even where they are allowed to work, it is with the permission of their husbands and the husbands are interviewed for jobs for their wives.

Beliefs are conscious assertions about what is right or wrong, good or bad or the way of doing things. Even within a given society or religion, there may be different beliefs. Hindus, for example, believe in different deities, even though all of them belong to the same religion. Among them, some believe in eating meat, others do not. McDonalds restaurants do not sell hamburgers in India. Brahmins are strictly vegetarian. Knowledge about beliefs of natives in a given country helps organizations in avoiding some costly mistakes.

Attitudes define proper behavior of individuals and these are also generally formed within the context of social values and group beliefs. Attitudes are important in understanding the psychology of individual relationships. An influential person

with a bad attitude can create problems for the organization. Collective attitude of a government, for example, towards foreign investment can encourage or discourage the extent of foreign direct investment (FDI).

*Organizational Behaviour:
Responses to Global and
Cultural Diversity*

13.3 HOMOGENEITY AND HETEROGENEITY OF NATIONAL CULTURES

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Hofstede (1980) conducted a study on the employees of a multinational company spread across different countries. His objective was to identify the similarities and differences across different national cultures. The situation was controlled so that it was not affected by the variation in the practices and the policies of the company's method of operation. Therefore, differences or similarities could be directly attributed to national cultures. As a result of this study, four dimensions of culture were identified and culture could be rated either high or low on these dimensions. These dimensions were:

- Power distance
- Uncertainty avoidance
- Individualism–collectivism
- Masculinity–femininity

1. Power Distance

Power distance is the extent to which a culture encourages superiors to exercise power over others in the organization. A culture which was rated high on power distance believed in exercising power over subordinates thus creating power imbalance between the seniors and the juniors. In such cultures, there was low trust between people, subordinates were passive, organizational structure was tall, and decision making was highly centralized. The countries in this category are Philippines, Hong Kong, India, Venezuela, and Brazil. In a culture which was ranked low on power distance, the relationship between the superior and subordinates was of mutual trust and joint decision making and action. The structure of the organization was flatter and there was decentralization. The examples of countries with low power distance were the UK, USA, the Netherlands, Australia, and Canada.

2. Uncertainty Avoidance

The extent to which a culture encourages or discourages risk taking has been referred to as uncertainty avoidance. In countries with high uncertainty avoidance, the need for security was found to be high and there were strict laws, and stiff punishments for the deviants. The people of these cultures believed in working very hard for results, not changing jobs and not being sympathetic to disobedience. The examples included Greece, Portugal, Japan, Peru, and France. In cultures rated low on uncertainty avoidance, ambiguous situations were more tolerable

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and less importance was attached to adherence to rules. Managers were prepared to take risks and believed in their own self-competence. Denmark, India, Great Britain, Sweden, and USA were categorized as countries with low uncertainty avoidance.

3. Individualism–Collectivism

This refers to the extent to which a culture comprises of individualistic features or believes in collective or group approach to deal with the situations around them. The individualist countries are focused towards inward concerns based on self and family with importance given to achievement and personal initiatives. The UK, Canada, and USA would be individualistic societies. In a collectivist culture, the organization is treated as family with greater loyalty and commitment towards it. The emphasis is on belonging to others, and on the power of group decision making. The examples of collectivist cultures are Singapore, Taiwan, and Mexico.

4. Masculinity–Femininity

This dimension refers to the types of accomplishments valued by a particular culture. In masculine societies, the emphasis is on money, material, and ambition and there is clarity about male and female roles in the society. People in this culture are encouraged to be individual decision makers. The examples of masculine cultures would include countries such as the UK, Germany, South Africa, and Italy. In cultures where feminism is present, emphasis is on cooperation, care, quality of life, and a very blurred distinction between the sex roles. There is more autonomy for the employees and decisions are taken collectively. The Netherlands and Scandinavia are the examples of feminine cultures.

Hofstede (1993) added another dimension to this list to differentiate between cultures. This was called as *long-term orientation*. This refers to personal thrift, perseverance, and adoption of traditions to the modern world. This orientation is the feature of the East Asian culture.

An international manager bears more responsibilities than his counterpart who has to operate only in one culture or country. The most effective international managers are those who are perceptive, rely on intuition, monitor situations carefully, and adapt well (Ratiu 1983). To operate in the multicultural sphere, it is important to have a right mind-set and ability to view the organization in an international sphere. Bolt (1988) has suggested certain steps to adjust in an international scenario. These are:

- The communication system of the organization should be well managed so that right information about any of the changes—political, financial, or economic—is immediately available to run the business.
- The structure of the organization should be flexible to cope up with any international challenge.
- The teams in the organization should be multicultural with an international outlook so as to be able to respond to the demands of the world market.

- The composition of the top management team should be international.

The ideal qualities of an international manager are curiosity, flexibility, communication skills, assertiveness, team working, resistance, and self-reliance.

13.3.1 Differences Between Countries

Let's have a look at some examples of differences between countries on the basis of ethics and communication:

Cross Cultural Communication

There are over 6,000 languages in the world, many of them highly localised. English is the most popularly used language for international business transactions. Over 80% of the information stored in all the world's computers is in English and over 85% of all the World Wide Web (WWW) sites are in English. However, English as an official language is only used in about 60 countries out of nearly 200 and hence it is necessary to understand the language of the host country, both in content as well as context. For example, "come any time" does not mean the same thing in India as it does in America. "See you later" a common good-bye word in America does not mean meeting again on the same day.

Some of the notices written in English in countries where the official language is not English are very funny, as is shown by the following examples.

- ***In a Zurich hotel*** Because of the impropriety of entertaining guests of the opposite sex in the bedroom, it is suggested that the lobby be used for this purpose.
- ***In a Swiss mountain inn*** Special today—No ice cream.
- ***In a Japanese hotel*** You are invited to take advantage of the chambermaid.
- ***In a Bangkok dry cleaner shop*** Drop your trousers here for best results.
- ***On a Moscow hotel room door*** If this is your first visit to the USSR, you are welcome to it.
- ***In a Rome laundry*** Ladies, leave your clothes here and spend the afternoon having a good time.

These examples show the necessity and importance of knowing the language of the host country and the regions within the host country where necessary, and specially the meaning behind the words. For example a truck in America is known as a "lorry" in England. A "lift" in England is an "elevator" in America. Accordingly, an international manager is trained to be sensitive to the differences in the words and their meanings.

Ethical Behaviour Across Cultures

In the global business arena, special ethical challenges arise as a result of cultural diversity and variations in government and legal system. Ethical and moral behavior

NOTES

NOTES

does not have many universally recognized characteristics and may differ from culture to culture. This poses a dilemma for many multinational companies. For example, bribery is the cost of doing business in many developing countries, that may be considered unethical by some. It is quite common for some country leaders to amass fortunes by unethical means such as Marcos of Philippines and Suharto of Indonesia. Even in America, more recent developments with Enron and World Com and with the accounting firm of Arthur Anderson show an unethical side of the business environment. Many types of unethical conducts are legally forbidden and such laws are strictly enforced. President Nixon had to resign because of unethical conduct. Many of his Cabinet members went to jail. Such laws, even though present on legal books, are not strictly enforced in most of the developing countries. How does an international company handle such a conduct when doing business in a developing country?

In addition to bribery, some of the other current prominent issues include poor safety and poor working conditions in factories, employment of child labour and support for such governments, that fail to protect and respect the basic human rights. Child labour is very common in India and Pakistan. China has been accused of using prisoners as labourers in manufacturing industries. Unsafe working conditions are common in Haiti and many other Caribbean and African countries. There are two types of influences that culture has on ethical behavior. One is known as cultural relativism and the other is known as ethical imperialism. According to cultural relativism, no culture is superior in terms of ethics and the values and practices of the local setting determine what is right or wrong. In other words, “when in Rome, do as the Romans do.” In contrast, ethical imperialism implies that certain absolute truths apply everywhere. Universal values transcend cultures in determining what is ethically right and what is wrong. For example, if bribery is ethically wrong, then it is wrong everywhere and in every culture. The critics of ethical imperialism argue that it is wrong to enforce your own moral values on others and that moral values are not absolute or universal in nature and should be evaluated in the cultural context of a given population. For example, child labour is morally as well as legally unacceptable in America. However, in India or Pakistan, where there is extreme poverty and many people have large families, child labour is essential to meet the basic needs of the family. Similarly, the concept of bribery, that can be considered as morally wrong but which is necessary to get a license in order to open a manufacturing plant in a developing country can be considered acceptable when it helps the nation’s economy and provides jobs for many workers. In other words morality should not be judged by the act itself but by the outcome of the act.

Check Your Progress

1. What are the ideal qualities of an international manager?
2. What does the term 'long-term orientation' imply?

13.4 ANSWERS TO CHECK YOUR PROGRESS QUESTIONS

*Organizational Behaviour:
Responses to Global and
Cultural Diversity*

1. The ideal qualities of an international manager are curiosity, flexibility, communication skills, assertiveness, team working, resistance, and self-reliance.
2. Long-term orientation refers to personal thrift, perseverance, and adoption of traditions to the modern world. This orientation is the feature of the East Asian culture.

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13.5 SUMMARY

- Although international business, to some degree, has existed for centuries, the second half of the last century was most influential in bringing the world closer to itself.
- Culture defines behaviour of people and organizations and international managers are increasingly recognizing the influence of national culture on organizational functioning.
- The world has an extraordinary number of distinct cultures. In Africa alone, there are more than 800 separate cultures with distinct languages, customs and values and these are not entirely defined by national boundaries.
- People behave according to their values, beliefs and attitudes. From organizational behaviour point of view, global managers must understand and appreciate these values, beliefs and attitudes of the people of the host countries, in order to achieve success.
- Beliefs are conscious assertions about what is right or wrong, good or bad or the way of doing things. Even within a given society or religion, there may be different beliefs.
- Attitudes define proper behavior of individuals and these are also generally formed within the context of social values and group beliefs.
- Hofstede (1980) conducted a study on the employees of a multinational company spread across different countries. His objective was to identify the similarities and differences across different national cultures.
- The extent to which a culture encourages or discourages risk taking has been referred to as uncertainty avoidance. In countries with high uncertainty avoidance, the need for security was found to be high and there were strict laws, and stiff punishments for the deviants.
- The extent to which a culture encourages or discourages risk taking has been referred to as uncertainty avoidance. In countries with high uncertainty avoidance, the need for security was found to be high and there were strict laws, and stiff punishments for the deviants.

*Self-Instructional
Material*

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13.6 KEY WORDS

- **Foreign Direct Investment (FDI):** It is an investment made by a firm or individual in one country into business interests located in another country.
- **Decentralization:** It can be understood as the orderly assignment of authority, throughout the levels of management, in an organisation.
- **Communism:** It is a theory or system of social organization in which all property is owned by the community and each person contributes and receives according to their ability and needs.

13.7 SELF ASSESSMENT QUESTIONS AND EXERCISES

Short Answer Questions

1. Mention the skills and approaches required of global managers.
2. Why is it necessary to understand cultural differences to operate at a global level?
3. How do MNCs assimilate the homogeneity and heterogeneity of natural cultures?

Long Answer Questions

1. How do organizations adapt to global and cultural diversity? Discuss.
2. 'People behave according to their values, beliefs and attitudes.' Explain the statement.
3. Give examples of Indian MNCs that have adapted well to global and cultural diversity.

13.8 FURTHER READINGS

- Robbins, Stephen P. 2010. *Organizational Behaviour*. New Delhi: Prentice Hall.
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UNIT 14 ORGANIZATIONAL DEVELOPMENT

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Structure

- 14.0 Introduction
- 14.1 Objectives
- 14.2 Meaning, Nature, Scope and Features of OD
 - 14.2.1 Objectives and Role of OD Programmes
 - 14.2.2 Features and Basic Assumptions of OD
 - 14.2.3 Nature and Scope
 - 14.2.4 Problems and Challenges of OD
- 14.3 Process of Organizational Development
- 14.4 Organizational Development Interventions and Process
- 14.5 Phases of Organizational Development Intervention
 - 14.5.1 Learning Organizations
- 14.6 Developing Gender Sensitive Workplace
- 14.7 Answers to Check Your Progress Questions
- 14.8 Summary
- 14.9 Key Words
- 14.10 Self Assessment Questions and Exercises
- 14.11 Further Readings

14.0 INTRODUCTION

The term 'Organization Development' (OD) was coined by Richard Beckhard in the mid 1950s, as a response to the need for integrating organizational needs with individual needs. OD came into prominence in the 1960s and grew in response to needs. OD is a strategy of intervention in which group processes focus on the entire culture of an organization so that a planned change could be brought about. According to Harold M. F. Rush, OD 'seeks to change beliefs, attitudes, values, structures and practices so that the organization can better adapt to technology and live with the fast pace of change'. It seeks to use behavioural science knowledge to help organizations to adjust more rapidly to change.

14.1 OBJECTIVES

After going through this unit, you will be able to:

- Define organizational development
- Discuss the meaning, nature and scope of organizational development
- Explain the process of organizational development
- Describe the phases of organizational development intervention
- Analyse the need for developing gender sensitive workplace

14.2 MEANING, NATURE, SCOPE AND FEATURES OF OD

NOTES

Organization development is an intervention strategy in which group processes are used to focus on the entire culture of development of an organization, so that a planned change would be brought about. It makes use of laboratory training approaches, such as role-playing, management games and sensitivity training. It is important from the perspectives of society, customers and the workers themselves because overall costs are reduced that may result in reduction of wastage of human effort. In addition, the quality of the product improves and a more effective organizational climate is developed. Wendell L. French and Cecil H. Bell Jr., traced the development of OD to the pioneering effort of the National Training Laboratories and Esso Standard Oil Company, who began working on the problem of building better organizations and eventually OD evolved from their effort. There were two main reasons that made OD necessary; they are:

- The reward structure on the job did not adequately reinforce conventional training, so it often failed to carry over to the job.
- The second cause was the fast pace of change itself, which required organizations to be extremely effective in order to survive and prosper.

OD attempts to develop the whole organization so that it can respond to change more uniformly and capably. OD has its own shortcomings; Beckhard described the dilemma of integrating organizational needs with individual needs.

Meaning of Organization Development (OD)

Organization development is a strategy for organizational improvement. The term 'Organization development' (OD) may be defined as a technique for changing the entire organization.

In the late 1950s and early 1960s, OD emerged out of insights from group dynamics and from the theory and practice of planned changes. Organization development deals in the way people and organizations function and the way to make them work better. OD programmes are long term, planned, sustained efforts. They are based on the knowledge of behavioural science disciplines such as psychology, social psychology, sociology, anthropology, systems theory, organizational behaviour, organization theory and management. The two major goals of OD programmes are:

- (i) To better the working of individuals, teams and the entire organization
- (ii) To teach organization members how to continuously improve their own functioning

It is a modern approach to the management of change and the development of human resources. It is an organization-wide planned change for improvement,

through the use of behavioural science techniques. A healthier decision-making climate is promoted by organizational programmes that leads to improved organizational performance.

Organizational Development

14.2.1 Objectives and Role of OD Programmes

The objectives of OD, as given by Wendell French are as follows:

- To build and enhance inter-personal trust, communication, cooperation and support among all individuals and groups throughout an organization
- To encourage an analytical problem-solving approach with a team spirit
- To enhance the sense of belonging of individuals to an organization so that individual and organizational goals are synchronized
- To extend the process of decision-making to the lowest operational level
- To increase personal responsibility for planning and implementation

14.2.2 Features and Basic Assumptions of OD

The assumptions underlying OD programmes are

1. **Assumptions of dealing with individuals:** The two basic assumptions about individuals in organizations are:
 - (a) Most individuals have drives towards personal growth and development. They want to develop their potential and ought therefore to be provided with an environment that is both supportive and challenging. In other words, an individual often wants to grow and develop as a person; this is stimulated and promoted by a supportive and challenging work environment.
 - (b) Most people desire to make and are capable of making, a greater contribution to attaining organization goals than most organizational environments permit. The implication of this assumption is that people have expertise. Organizations must remove obstacles and barriers and reward success.
2. **Assumptions of dealing with groups:** These assumptions relate to the importance of work teams:
 - (a) The most psychologically relevant reference group for most people is the work group. The work group greatly influences feelings of satisfaction and competence. Therefore, individual goals should be integrated into the group's goals.
 - (b) Most people interact cooperatively with at least one small reference group.
 - (c) Work groups are the best way to satisfy social and emotional needs at work. Consequently, work groups that are supportive, open and trusting will promote personal growth of an individual.

NOTES

NOTES

(d) Often, individuals repress their feelings about work or colleagues, because they do not want to disbalance their work environment. However, this has an opposite effect as repressed feelings greatly affect a person's problem-solving skills, personal growth, and overall satisfaction with work. Attitudinal and motivational problems in organizations require interactive and transactional solutions. Such problems have the greatest chance of a constructive solution if all parties in the system alter their mutual relationship. Cooperation is always more effective than conflicts.

3. **Assumptions for designing organizations:** These assumptions relate to the importance of designing organizations. The following points may be considered:

- (a) Traditional hierarchical forms of organizations are obsolete. Therefore, experimenting with new organization structures and new forms of authority is imperative (very important/essential); creating cooperative rather than competitive organizational dynamics is a primary task of an organization.
- (b) An optimistic, developmental set of assumptions about people is likely to reap rewards beneficial to both, an organization and its members. Co-operation is always more beneficial.
- (c) Money or capital is not the most important resource of any organization, but its employees. Employees' work affects productivity and so they must be treated carefully. An organization can achieve higher productivity only when the individual goals are integrated with organizational goals.

14.2.3 Nature and Scope

The main purpose of OD, according to Burton, is 'to bring about a system of organizational renewal that can effectively cope with environmental changes. In doing so, OD strives to maximize organizational effectiveness as well as individual work satisfaction.' Organizational development is the most comprehensive strategy for intervention. It involves all the activities and levels of management in ongoing problems that respond to external and internal sources.

14.2.4 Problems and Challenges of OD

Workforce mobility and diversity are creating new employee needs along with new expectations about the work culture, and these needs, too, have to be systematically understood and responded to. HR leaders would be enjoined upon to become effective strategic partners in the creation of world class learning culture.

Indian organizations are no exception to these compulsions. Today, they face numerous challenges and complexities, operating, as they do, in a highly volatile political and economic environment. The current environment demands more

systems-driven change without undermining the emphasis on people and relationship-oriented changes. Indian economy is increasingly getting integrated with the global economies both structurally and psychologically. Silicon valley of US led to Silicon valley pockets in Bangalore and Hyderabad. The styles of living and the ways of interactions in several organizations are driven by what was happening in the west from day one.

Most Indian organizations have been more oriented towards their people and relationships rather than being driven by the systems. However, with the upcoming global competition, it is extremely important that Indian organizations should also stand up to face this competition in a highly competitive manner. The change has to be in a direction where the organizations need to move away from borrowed technologies to their own technological development and concentrated efforts on research and development. Additionally, there is a need to also drift away from relationship and people, driven organizations to more competent, skilled and professional employees who are rather system driven.

Thus, there is an emergent need for organizational development in most Indian organizations.

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14.3 PROCESS OF ORGANIZATIONAL DEVELOPMENT

The different types of OD activities may be classified as follows:

1. OD for an individual
2. OD for two or three people
3. OD for teams or groups
4. OD for inter-group relations
5. OD for the entire organization

1. OD for an Individual

Sensitivity training: Sensitivity training was an early and quite a known OD technique. The purpose of sensitivity training sessions or T-groups (T for training) is to change the behaviour of people through unstructured group interactions. Generally, in 'T' groups, a trained leader guides about ten participants. The aim is to make the participants more sensitive to interpersonal relationships and to increase their skill in handling the same. Participants are congregated in a free, open environment that is away from the workplace. Here, participants are encouraged to engage freely in discussions, the discussions being aided by the leader, or facilitator. No formal agenda is prepared for the discussions. The role of the facilitator is to create opportunities so that participants could express their ideas, beliefs and attitudes towards a wide variety of issues.

It is the objective of sensitivity training to make the participants more aware of their own behaviour, as well as to make them more sensitive to the behaviour of other people.

NOTES

Nowadays, fewer organizations have their employees undergo sensitivity training. In those organizations that still use this technique, participants are screened to ensure that they are able to endure the anxiety levels that a T group causes. There are also precautions taken to guarantee that employees participate voluntarily, and not because of organizational demands, or peer pressure.

2. OD for Two or Three People

Transactional analysis (TA): When two or more than two individuals interact with one another, it results in a **social transaction**. TA was pioneered by Eric Berne, but popularized by Thomas Harris in the 1960s. Transactional analysis trains people to become aware of the context of their communications. Often, people talk expecting others to understand them, but because messages are said and heard in different contexts, meanings might get obscured. TA gives confidence to people to be more honest and open in their communication.

Transactional analysis aims to educate people about communication ways (transactions or messages) among people. By doing this, it expects that people will send clear and unambiguous messages. At the same time, TA tries to lessen bad communication habits and bring more clarity in the same.

TA has found its acceptance everywhere because of several advantages associated with it.

Eric Berne uses simple day-to-day language to explain the dynamics of personality and its application for human development. His theory has the following components:

- **Structural analysis:** A personality, according to Berne, may exist in three ego states. Berne defines an ego state to be 'a consistent pattern of feeling and experience directly related to a corresponding consistent pattern of behaviour'. These ego states are:
 - (i) **The parent ego state:** This ego state is constituted by feelings, attitudes and behaviour which resemble a parent. A personality in the parent ego-state is authoritative, dogmatic, overprotective, controlling, nurturing, critical, and righteous.
 - (ii) **The adult ego state:** This state is constituted by a set of feelings, attitudes and behaviour patterns that are in tune with the immediate reality. The adult ego stage is the 'thinking' ego state. Personalities that are in this state will be characterized by fairness and objectivity in their dealings with others.
 - (iii) **The child ego state:** This state is similarly constituted of a set of feelings, attitudes and behaviour patterns that resemble the feelings, attitudes and behaviour of a child. The child ego state

represents the childish, dependent and immature part of a person's personality.

A transaction is the act of communication or interaction between two people. A transaction starts with a stimulus and ends with a response to the stimulus. Since each individual involved in the transaction has three ego states; the transactions are between the various ego states.

Depending on the kinds of ego states involved, the interaction can be complimentary, crossed or ulterior.

- (i) **Complimentary transactions:** These occur when the message sent or the behaviour exhibited by one person's ego state receives the appropriate or expected response from the other person's ego state. Since, these transactions meet the needs and expectations of the initiators, communications flow freely, interactions will continue as inter-personal relations will improve. There is, therefore, no scope for conflict in complimentary transactions. Examples of complimentary transactions are parent-parent, adult-adult, parent-adult and child-child transactions.
 - (ii) **Crossed transactions:** Crossed transactions these are the sources of much interpersonal conflicts in organization. The result can be hurt feelings and frustrations on the part of the parties involved and possible dysfunctional consequences for the organization.
 - (iii) **Ulterior transactions:** A message sent may have two targets (ego states). There may be an overt message (open and expressed), but it may also contain a covert message (a hidden one). Transactions with such messages are called ulterior transactions. Ulterior transactions cause much damage to interpersonal relations.
- **Life-position analysis:** Life position comprises certain deeply ingrained convictions about the worth of the self and others. A person's conviction about himself/herself may either be 'I am OK' or 'I am not OK'. Similarly, he/she may look at others and think, 'You are OK' or 'You are not OK'. Combining these, we have four life positions:
 - o 'I am OK, you are OK'. This is the healthy position.
 - o 'I am OK, you are not OK'. This is the paranoid position.
 - o 'I am not OK, you are OK'. This is the depressive position.
 - o 'I am not OK, you are not OK'. This is the futility position.
- Of the four life positions, the ideal one is I am OK, you are OK. It shows healthy acceptance of self and others. This life position can be learnt. The other life positions are less psychologically mature and less effective. They have the potential for interpersonal conflicts.

NOTES

NOTES

- **Games analysis:** A game is ‘a series of ulterior transactions with a gimmick, leading to a well-defined pay-off’. Berne, in his book *Games People Play* describes more than thirty games people habitually play.
- **Script analysis:** Script analysis is detailing of specific life dramas that people compulsively play out. It is a sophisticated and complex part of TA. The four most popular elements in the script apparatus are:
 - (i) **Pay-off or curse:** This is the way the parents tell the child to end its life. According to Berne, the script pay-off will not take effect unless it is accepted by the child.
 - (ii) **Stoppers:** Stoppers are injunctions or unfair negative comment from the parent.
 - (iii) **Counter script:** Counter script messages are in the forms of slogans; proverbs for example, work hard. These counter scripts determine a person’s style.
 - (iv) **Programme:** Programme is what the parent teaches a child to do in order to live out the script.

3. OD for Teams and Groups

Process consultation: A consultant works with organization members in helping them understand the nature of their working relations in a group or team situation. The aim is to help group members work more efficiently together and this is achieved by developing the diagnostic and problem-solving skills of organization members.

- **Teams:** Teams are also known by other terms such as empowered teams, self-directed teams and self-management teams. Katzenbach and Smith have defined a team as ‘a small number of people with complementary skills who are committed to a common purpose, common performance goals, and an approach for which they held themselves mutually accountable’. The most common types of teams are work teams, problem-solving teams, management teams and virtual teams.
- **Work teams:** Work teams are primarily concerned with the work done by the organization. Their principle focus is on using the organization’s resources effectively.
- **Problem-solving teams:** Temporary teams that are established to attack specific problems in the work place are problems-solving teams. These teams generally offer recommendations for others to implement. In problem solving teams, members share ideas or offer suggestions on how work processes and methods can be improved.
- **Management teams:** The primary job of management teams is to coach and counsel other teams to be self-managing by making decisions within the teams. These teams consist of managers from various areas who coordinate work teams.

- **Virtual teams:** Teams that are comprised of people who do not physically meet to carry out work, and who coordinate their activities by computer or through teleconferencing or other electronic systems, are virtual teams. In general, computer technology is used by virtual teams to make members work towards a common goal. This is particularly useful when members live in different cities, or are otherwise distantly located.
- **Groups:** A group that interacts so that it can share information and take decisions to help one another in doing work within ones area of responsibility. The work group is an even stronger source of satisfaction when members have similar attitudes and values. The work group provides group members with opportunities for interaction with each other.
- **Team Building:** Team building utilizes high-interaction group activities so that it can increase openness and trust amongst team members. Team building is a process of diagnosing and improving the effectiveness of a work group with particular attention to work procedures and inter-personal relationships within it.

The diagnostic skills may involve analyses of group activities of resources, or of the relationships between team members. One of the aims of this method is to develop a sense of unity in the members of newly formed committee or group.

The method of team building is generally applied on two types of groups:

- (a) A pre-existing or permanent team that comprises a manager and employees. This is often called a family group,
- (b) A group that has been newly formed, either with the purpose of solving a specific problem, or that has been created as a result of structural changes in the organization. Such groups are called special groups.

Team building activities aim to diagnose the problems that retard team performance, look to improve the quality and rate of task accomplishments, strengthen relationships between team members and promote other positive processes (like communication, or task assignment) that are active in the team.

4. OD for Inter-group Relations

These are organizational development processes that seek to change negative attitudes, conventional stereotypes and perceptions that groups may have of other groups. Negative attitudes, stereotypes and perceptions have a detrimental impact on the coordinative efforts of different groups. One of the best ways of resolving this is to have the leaders or managers of each group meet to assess the health of an organization and set up plans of action for improving it. To this end, the confrontation meeting may be employed. A confrontation meeting is a one-day meeting involving all the managers of an organization. In this meeting they discuss problems, discover their causes and propose remedial actions. Typically, such a meeting is called after a major organizational change, such as a merger or the introduction of a new technology.

NOTES

NOTES

Although there are several approaches to improving inter-group relations, the most sought after method is problem solving. Each group is required to meet independently to list what its members think of the group, what its perceptions are of other groups, and what it believes how other groups perceive it. Thus, differences are related. Then, the groups collectively hunt for the reasons of difference. Further, subgroups that comprise members from conflicting groups are created to formulate deeper diagnoses and propose alternative actions that will improve relations between groups.

5. OD for the Total Organization

OD attempts to develop the whole organization so that it can respond to change effectively. Change is so abundant in modern society that organizations need all their parts working together in order to solve problems. OD is a comprehensive programme that is intended to ensure that all parts of the organization are well coordinated.

The survey feedback technique involves conducting attitude and other surveys, and systematically publishing the results to organization members. Then, members can determine what actions need to be taken to resolve any problem, or to exploit any opportunity that is uncovered by the survey. Thus, the survey feedback technique improves the operation of the entire organization. Any member of the organization may participate in a survey feedback. The data from the survey feedback is collected through a questionnaire and tabulated.

14.4 ORGANIZATIONAL DEVELOPMENT INTERVENTIONS AND PROCESS

An organizational development intervention is a set of structured activities in which selected organizational units engage in. These activities involve a task or a sequence of tasks that stimulate organizational improvement and promote individual development.

As a general statement, OD activities focus on techniques or programmes to better people, as well as the nature and quality of interpersonal work relationships.

The common link in such techniques is that each tries to bring about changes in the employees of an organization. Some of the OD interventions are explained below:

1. **Sensitivity training:** This is also known as laboratory training, encounter groups and T-groups. This training is a method of bettering behaviour by promoting group interactions in an unstructured way. If an individual is unaware of how others perceive them, then they are not likely to blend in well with the group. The T-group can help the individual have a more realistic understanding of their self and thus strengthen group cohesiveness and reduce interpersonal conflicts that make the whole group dysfunctional.

2. **Survey feedback:** A survey feedback is a series of questionnaires. These questionnaires are employed to identify problems in the perceptions or feelings of members and attempts to resolve them.
3. **Process consultation:** In process consultation, a consultant is hired to assist a manager or other member of an organization to perceive, understand and act upon any event. It is the consultant's task to give the manager an insight into the happenings of an organization. The consultant then goes to identify the processes that need improvement.
4. **Team-building:** Team-building processes involve high-interaction group activities. These activities increase trust and develop openness, reducing hostility, among the members of a team. Team-building processes may be applied on a single group for the members of that group, or on several groups whose activities are interdependent to facilitate inter-group work.
5. **Inter-group development:** Just like inter-group relations, inter-group development tries to change the attitudes, conventional stereotypes and perceptions that groups have of each other.

NOTES

14.5 PHASES OF ORGANIZATIONAL DEVELOPMENT INTERVENTION

Warner Burke described the following phases of an OD programme:

1. **Entry:** Entry represents the initial contact between consultant and client. It also examines the reasons that led to the selection of the consultant. It further determines the problem of the client that the consultant is hired to resolve, the opportunities that the organization is within to cash is on, and the smooth working relationship that should prevail.
2. **Contracting:** This refers to establishing mutual expectations; reaching agreements on expenditure of time, money, resources, and energy; and generally clarifying mutual expectations.
3. **Diagnosis:** This involves the identification of the slot where the problem arises by way of carrying out data collection and interpreting the same. It may be related to the department, the system, processes, the culture modification or the organizational is returned.
4. **Feedback:** In this phase, the analyzed information is returned to the client system and solution to the problem and its application explored. Thrust between the client and the specialist information is nurtured and extent the problem resolved and opportunities realized is ascertained.
5. **Planning change:** In this phase, the client decides what actions are to be taken; what alternatives are available and a critical analysis of the possibilities is conducted. The action plan is devised/selected from among the available and implemented.

NOTES

6. **Intervention:** The action plan that is finally selected is implemented at this stage.
7. **Evaluation:** Assessing the results of the OD programme its success, changes in the organization structure, processes, systems, job design, and the total difference made to the organization are assessed. The overall OD programme is evaluated.

Organizational Effectiveness

Since successful OD efforts must have made meaningful changes in the performance and efficiency of the people and the organization, we need to have an evaluation procedure to verify this success; identify needs for new or continuing OD activities, and improve the OD process itself to help make future interventions more successful.

14.5.1 Learning Organizations

Major work has been done on learning organizations by Frederick W. Taylor through the introduction of scientific management. However, the origins of today's use of term learning organizations is usually attributed to the seminal work of Chris Argyris and his colleagues, who made the distinction between first-order or 'single-loop' and second-order or 'double-loop' learning.

1. **Single-loop learning** involves improving the organization's capacity to achieve the known objectives. It is associated with routine and behavioural learning. Under single-loop learning, the organization learns without significant change in basic assumptions.
2. **Double-loop learning** re-evaluates the nature of the organization's objectives and the values and beliefs surrounding them. This type of learning involves a change in the organization's culture. Importantly, double-loop learning consists of a drastic change resulting in a change in the basic assumptions of the organization, cultural or structural, for which the organization has to conduct adoptive learning. The system faces several difficulties. More importantly generative learning is needed. Generative learning involves creativity and innovations. The generative process leads to the total reframing of an organization's experiences and learning from that process. Senge propagated generative learning

This tension stems from the gap between the organization's vision and reality and suggests that learning organizations continually question and challenge the status quo. Systems thinking refers to the ability of learning organization to recognize the shared vision of employees throughout the organization and be open to new ideas and the external environment. Another major characteristics is the organizational culture. It must place a high value to learning and the setting up of a mechanism for suggestions, teams, empowerment and empathy. The factor of empathy reflects the genuine concern for and interest in an employee, suggestions and innovations, which can be backed by the reward system. All these factors contribute to a truly learning organization.

14.6 DEVELOPING GENDER SENSITIVE WORKPLACE

Although women have probably secured social and economic empowerment they are still neglected in the corporate world and this does not even agitate people. So what does empowering women at work really mean?

An Assocham survey (2007–08) (Jayanti 2008) says 66.3% urban Indian women prefer to work rather than keep house, though only 16% of them work for a living. Yet, paradoxically, according to available data, Indian women had cornered 14% of senior business posts. While Indian companies are moving in that direction, they still have a long way to go. We do see more women joining companies, but as we move up the hierarchy the numbers start dwindling. The lapse is not by companies alone. Our socio-economic background does have a major role to play. Some of the ways by which this fallout can be checked and resurrected include the following:

Reward by Merit and Not by Gender

It is important to differentiate between empowerment and reservation. Reservation is a direct indicator of gender counting over performance. The belief that it is your gender which will help you sail through your progress acts as a major barrier to empowerment. Firms should steer clear of this, and instead, focus on providing opportunities to women to help them demonstrate capability and then reward merit. Janet Gasper Chowdhury, Principal Consultant, Price Waterhouse Coopers, is a believer in merit, and argues that women workers should be rewarded for merit.

Make Efforts to Retain Female Talent

Although Assocham data mentions that 17.7% of women in India tend to give up their work in middle-management positions, many companies have taken care to ensure that the female talent is retained. Says Chitra Ramakrishna, Managing Director, National Stock Exchange (NSE): “About 50% NSE staff is women and that has been a way of life with us. At junior levels, we employ 40% to 50% women professionals; they progress up the ladder and at middle and senior management levels, we have 30% women. Also, the fact that if women take maternity leave, it has not gone in favour of their promotion.”

Have Positive Discrimination for Women

The aspiration levels of women have gone up as a result of more opportunities being available to them. The processes of liberalization and globalization have added to this dimension. In tandem, several industries have taken steps towards positive discrimination of women.

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In Apollo hospitals, women have 55% share of the jobs. Says Shobana Kamineni, Director, Projects, Apollo Hospitals group, “We have both the genders working in all the functions starting from front office, diagnostics, medical and nursing to all the administrative and support services. We have women employees working in bio-medical function which generally is a male-dominated area.”

Special Programmes for Women Empowerment

Companies will have to take up special programmes to promote women empowerment. A typical example in this case is Tata group. According to Rekha Seal, Ethics Counsellor, MD’s Office, Tata Steel, “We have taken several initiatives to empower women in Tata Steel, such as the ‘Tejaswini’—a pioneering empowerment programme for office girls willing to operate heavy motor equipment.”

The programme has trained around 50 female employees. Out of these, 7 have received the Prime Minister’s Shram Devi award. The company has a women empowerment cell, comprising members of management and unionized women that looks after women’s issues and organize need-based training for underprivileged women.

Creating Positive Economic and Social Policies

But more such initiatives are badly needed. Because, outside the urban expanses, most women still prefer home to a corporate office and family takes precedence over their careers. It is not just an isolated Indian problem. Another problem is, although women in urban corporate houses manage to get equal pay for equal work, in rural areas the economically backward women tend to work for a pittance. Some corporate houses are making slow inroads into this sector.

According to Vinita Bimbhet, President, FICCI Ladies Organization, Mumbai, and Director, Grameen Initiative for Women, “The underlying causes of gender inequality are related to social and economic structure, which is based on informal and formal norms, and practices. Majority of the women from the weaker section of the society and from the rural and unorganized sectors do not have adequate access to education, health and productive resources. Therefore, they remain largely marginalized, poor and socially excluded.”

The solution lies in creating an environment through positive economic and social policies for the full development of women to enable them to realize their full potential. There are very few companies like Hindalco and ITC which are working towards women empowerment in rural areas. The first step towards empowering women should be curbing female foeticide, eliminating child marriages, and promoting welfare.

Some autonomous wings of the judiciary—such as the consumer courts—have taken innovative steps in positive discrimination. “By legislation, the 650 consumer courts around the country at the district, state and national levels have

to appoint a woman on every bench—deemed to be a judge. This is radical,” says Rajyalakshmi Rao, Member, National Consumer Disputes Redressal Commission. But still there are no women chief justice in high courts and no apex court judges are women.

Organizational Development

The academia seems to suffer less from any legacy of “female disempowerment”—as Kavita. A Sharma, ex-principal, Hindu College, DU, points out, “In the university workplace, employments in co-ed colleges are gender-neutral. Promotions are according to qualifications.”

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Check Your Progress

1. Who coined the term 'organizational development'?
2. List the goals of organizational development.

14.7 ANSWERS TO CHECK YOUR PROGRESS QUESTIONS

1. The term ‘organizational development’ was coined by Richard Beckhard in the mid-1950s.
2. The goals of organizational development are the following:
 - Decision-making on the basis of competence, rather than authority
 - Creatively resolving conflicts through cooperation designed to replace confrontation, to replace win-lose situations with win-win types
 - Reducing dysfunctional competition and maximizing collaboration
 - Increasing commitment and a sense of ‘ownership’ of organization objectives throughout the workforce
 - Increasing the degree of interpersonal trust and support
 - Creating a climate in which human growth, development and renewal are a natural part of the enterprise’s daily operation
 - Developing a communication system characterized by mutual openness and candour in solving organizational problems

14.8 SUMMARY

- The term ‘Organization Development’ (OD) was coined by Richard Beckhard in the mid 1950s, as a response to the need for integrating organizational needs with individual needs.
- Organization development is an intervention strategy in which group processes are used to focus on the entire culture of development of an organization, so that a planned change would be brought about.

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- According to Wendell L. French and Cecil H. Bell, Jr., ‘Organization Development is a systematic process for applying behavioural science principles and practices in organizations to increase individual and organizational effectiveness.’
- The main purpose of OD, according to Burton, is ‘to bring about a system of organizational renewal that can effectively cope with environmental changes. In doing so, OD strives to maximize organizational effectiveness as well as individual work satisfaction.’
- Workforce mobility and diversity are creating new employee needs along with new expectations about the work culture, and these needs, too, have to be systematically understood and responded to.
- An organizational development intervention is a set of structured activities in which selected organizational units engage in.
- It is important to differentiate between empowerment and reservation. Reservation is a direct indicator of gender counting over performance. The belief that it is your gender which will help you sail through you progress acts as a major barrier to empowerment.

14.9 KEY WORDS

- **Complimentary transaction:** It is a kind of transaction wherein the person sending the message gets the predicted response from the other person.
- **Life-position:** It comprises certain deeply ingrained convictions about the worth of the self and others.
- **Flexitime:** It is a system of working in which individuals work for a particular number of hours within a fixed period of time, however; can change the time they start or finish work.

14.10 SELF ASSESSMENT QUESTIONS AND EXERCISES

Short Answer Questions

1. What are the challenges faced in organizational development?
2. What are the objectives of organizational development?
3. Mention the organizational development interventions.
4. Write a short note on learning organizations.

Long Answer Questions

Organizational Development

1. Explain the process of organizational development.
2. What are the phases of organizational development interventions? Discuss.
3. Suggest some methods for developing a gender sensitive workplace.

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14.11 FURTHER READINGS

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