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B.B.A 10431/12631
ORGANIZATIONAL BEHAVIOUR

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SYLLABUS

BLOCK I: BASIC FEATURES OF ORGANISATIONAL BEHAVIOUR

Excellence: Meaning and Approaches

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BLOCK I: BASIC FEATURES OF ORGANISATIONAL BEHAVIOUR
UNIT-IORGANISATION BEHAVIOUR

Structure

1.1 INTRODUCTION

Organisational Behavior is the study of human behavior in organsational settings. It acts as the interface between human behavior and the organization. It is the systematic study and application of knowledge about how individuals and groups act within the organizations where they work. One of the main goals of organizational behavior is to revitalize organizational theory and develop a better conceptualization of organizational life.

Why do people behave a certain way in an organisational environment? What factors affect job performance, employee interaction, job commitment, leadership and managerial styles? It interprets people-organization relationships in terms of the whole person, the whole group, the whole organization, and the whole social system. The main purpose is to build better relationships by achieving human objectives, organizational objectives, and social objectives.

Management is generally considered to have three major dimensions—technical, conceptual and human. The technical dimension consists of the manager's expertise in particular functional areas. They know the requirements of the jobs and have the functional knowledge to get the job done. But the practicing managers ignore the conceptual and human dimensions of their jobs. Most managers think

that their employees are lazy, and are interested only in money, and that if you could make them happy in terms of money, they would be productive. If such assumptions are accepted, the human problems that the management is facing are relatively easy to solve. But human behaviour at work is much more complicated and diverse. The new perspective assumes that employees are extremely complex and that there is a need for theoretical understanding given by empirical research before applications can be made for managing people effectively.

Organisational behaviour is concerned with people's thoughts, feelings, emotions and actions in setting up a work. Understanding an individual behaviour is in itself a challenge, but understanding group behaviour in an organisational environment is a monumental managerial task. The organisation's work gets done through people, individually or collectively, on their, own or in collaboration with technology. Therefore, the management of organisational behaviour is central to the management task—a task that involves the capacity to "understand" the behaviour patterns of individuals, groups and organisations, to "predict'" what behavioural responses will be elicited by various managerial actions and finally to use this understanding and these predictions to achieve "control".

Organisational Behavior has been influenced by a number of allied disciplines like Sociology, psychology, political science, management, economics and engineering. The study of Organisational behaviour is about what an individual thinks or feels or does in and around an organisation, both individual and in group. It also scrutinizes the emotions, behaviour & performances of an individual as well as the team. It helps to investigate and provide an understanding of all the factors that are necessary to create an effective organisation.

1.1 OBJECTIVES

After going through this unit, you will be able to:
- Familiarise with the concepts of organisational behaviour.
- Examine the different elements of organisational behaviour. Demonstrate the need of organizational behaviour.
- Exhibit the approaches and models of organizational behaviour.
- Evaluate the global Scenario of organizational behaviour.

1.2 DEFINITIONS

"Organisational behaviour is directly concerned with the understanding, production and control of human behaviour in organisations." - **Fred Luthans.**

"Organisational behaviour is a subset of management activities concerned with understanding, predicting and influencing individual behaviour in organisational setting." - **Callahan, Fleenor and Kudson.**

"Organisational behaviour is the study and application of knowledge about how people act within an organisation. It is a human tool for human benefit. It applies broadly to the behaviour of people in all types of organisation." - **Newstrom and Davis.**

"Organisational behaviour is a field of study that investigates the impact that individuals, groups and structure have on behaviour within the organisations for the purpose of applying such knowledge toward improving an organization's effectiveness." - **Stephens P. Robbins.**

From the above definitions it is clear that organizational behavior is the observation of individual and group Behavior in an organisation. It studies the behavior of people or group to know their attitude towards particular circumstances.

1.3 FEATURES OF ORGANISATION BEHAVIOUR:

The essential features of Organisation Behaviour are as follows:

1. Multidisciplinary Character: Organisation Behaviour concerns with the study of human behavior within organization. It draws knowledge from different disciplines like psychology, sociology, anthropology, political science and economics to study and analyze organizational behaviour.

2. Goal Oriented: Organisation Behaviour is goal-oriented and action oriented discipline. It fulfills the individual goals of employees in order to attain the goals of an organisation.

3. Humanistic and Optimistic Approach: It deals with the thinking and feeling of human beings. It also realizes that people working in the organization will show their potentials if they are given proper working environment.

4. Multi-Level Study Character: Organisation Behaviour is studied in different levels. It concerns with individual level, group level and organizational level. Also, it investigates the influence of each level in the overall organizational effectiveness.

5. technological environment makes the functioning of an organisation more complicated. Every organization needs to operate in dynamic environment.

6. Total System Approach: The system approach integrates the variables influencing the functioning of an effective organisation. This approach has been developed by the behavioral scientists to analyze human behavior in view of socio-psychological framework. The systems approach tries to study complexity and find a solution to it.

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7. Cause and Effect relationship: Organisation Behaviour deals with causes and effects relationship. Conclusions are drawn with evidence. It completely follows system. Similarly, the study follows scientific tools, techniques and decision making criteria.

8. Both Science as well as art: Organisation Behaviour is the application of various researches to solve the organizational problems related to human behavior. It involves both applied research and its application in organizational analysis. Hence, Organisation Behaviour can be called both science as well as art.

9. Normative Science: Organizational Behavior is a normative science also. It prescribes how the findings of applied research can be applied to socially accepted organizational goals.

10. Dynamic Character: Organizational behavior is dynamic and it concern with changing behavior of an individual. Groups norms, values and interests are directly or indirectly influence the individual behavior. It tries to change the behavior of individual to make them socially acceptable**.**

1.4 ELEMENTS OF ORGANISATION BEHAVIOUR:

There are four major elements of Organisation Behaviour and they are as follows:

1) People: People consist of individuals and groups. Every individual has personal goals to be achieved. Hence, every organisation must find and address the variety need of individuals. 'People' refers to a person who is working inside the Organisation, like employees or any external person like supplier, customer, auditor, or any government official. Thus employee plays a pivotal role in an organization. Organization and employee are connected to each other and it will continue forever.

2)Structure: Structure is the overall framework for organisational roles, rules, relation, hierarchy and authority. In an organisation, structure refers to the relationship that exists between different individuals. In simple words, it brings coordination between different levels of Organization. Also, it influences the behaviour of people working in the organization. There is always a hierarchy in Organization. If hierarchy is not properly dealt, it will create confusion in the whole system which disrupts the effective functioning of an organisation.

3) Technology: In this Competitive world, technology plays a pivotal role in the organisational structure. Technology supplies essential resource to the employee for performing their work in a better way. The advancement of technology helps the employees to work

more efficiently. Adoption of technology differs and it is based on the nature and functions of an organisation. Thus, technology also influences people behaviour so it is an important job of any organization to manage technology.

4) Environment: Both organisation and environment cannot be isolated. Organisation has to work in an environment and it may internal or external. Internal environment comprises of organization resources, structure and culture whereas external environment involves economic, political, socio cultural and technology. It is the duty of the management to maintain a good working environment and it automatically enhances the productivity. Hence, environment also becomes a key element in the study of organizational behaviour.

1.5 NEED OF ORGANISATION BEHAVIOUR

Organisation Behaviour is the study of people at work in Organisations. The reason, we study organisations because we spend our lives interacting with them. By acting our parts, we influence organizations and organizations also influence us. The need for Organisation Behaviour is summarized as follows:

1) Better labour-management relationships: The study of Organisation Behaviour helps the management to secure the co-operation from the employees. This shows the path for good relationship between labour and management in an Organisation.

2) Decision to overcome resistance: Management should avoid the decisions which are to be opposed by the employees. In order to overcome resistance, decisions on sensitive issues are to be consulted with the employees.

3) Identify Individual differences: The acquaintance of knowledge about organization behaviour helps the manger to know the strengths and weakness of every subordinate. This enables the manager to obtain the better results by motivating the employee at the right time.

4) Understand the group behaviour: Organisation Behaviour supports the management to understand the group behaviour. The behaviour of an individual employee is different from his behaviour while at a group. Formal group as well as informal group influences an individual.

5) To tackle conflicts: Conflicts arise in an organization due to differences of opinion among individuals. The knowledge of Organisational behaviour helps the manager to tackle the conflicts in an effective manner.

6) Counselling: The behaviour of an individual is only influenced by the happening in a workplace but also affected by the happening in his

personal life. Counselling help the employee to get relieve from his unhappiness.

7) Introduction of change: An organistion cannot be fixed. It has to introduce certain changes gradually for better understanding. Only when an organization has ability to introduce the change can run successfully in the long run.

1.6 DISCIPLINES CONTRIBUTING TO ORGANISATION BEHAVIOUR

Organisational behaviour is an applied behavioural science that is built upon contributions from a number of behavioural disciplines. They are as follows:

1) **Psychology:** The term 'psychology' is derived from the Greek word 'psyche', which means 'Soul' or 'Spirit'. Modern authors defined psychology as the science of individual behaviour. Psychology has a great deal of influence on the field of organisation behaviour. The reason is the focus of psychology – What determines the behaviour of an individual?

The attempt to answer this question in different views has engendered a multitude of sub disciplines – industrial psychology, Clinical psychology, and experimental psychology. The major areas researched to understand the determinants of behaviour are attitudes, motivation and learning.

Motivation refers to the mental and emotional processes that precede actual behaviour under consideration. Learning is concerned with the changes and adaptions of behaviour that occur over time. It is clear that understanding of motivation and Learning would help to clarify the individual behaviour in an Organisation.

2) **Medicine:** Medicine is perhaps the newest field affecting Organisational 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.

3) **Sociology:** Sociology as an academic utilizes scientific method in accumulating knowledge about the social behaviour of groups. It specifically social groups, social behaviour, society, customs, institutions, social classes, status, social mobility and prestige. Sociology addresses itself to the study of group behaviour. It studies the behaviour of people in rel;ation to their fellow human beings. Sociologists have enriched organizational behaviour through their contribution to the study of interpersonal dynamics like leadership, group dynamics, communication, formal and informal organisation.

4) Social Psychology: Social Psychology is an important branch of psychology, which blends concepts from both psychology and sociology. The area of focus is on influence of group members on one another. The contributions of social psychology to Organisation Behaviour lies in the study of overcoming resistance to change and introduction of change in organisation. It also studies changes in attitude and behaviour of groups, patterns of communication and group decision – making.

5) Anthropology: Anthropology studies the origin and development of human cultures, how those cultures have functioned in the past, and how they continue to function in the present. this information is very useful in understanding the behaviour of individuals and groups in organizations. Culture has significant influence on human behaviour. It dictates what people learn and how they behave. Thus, Anthropology contributes a lot in understanding the cultural effect on Organisation behaviour. Value systems, norms, sentiments, interactions, group cohesiveness etc are the concern of anthropology.

6) Political science: political science has also contributed to the understanding of organisation Behaviour. the themes of interest to political scientists include how and why people acquire power and topics like political behaviour, group decision – making, conflict behaviour of interest groups and formation of coalition.

7) Engineering: This discipline, too, has influenced organisation behaviour. Industrial engineering, in particular, has long been concerned with work measurement, productivity measurement, workflow analysis and design, and labour relations.

8) 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. Organisational behaviour has learned a great deal from economic factors as labour market dynamics, cost-benefit analysis, marginal utility analysis, human resource planning and forecasting and decision making.

1.7 APPROACHES OF ORGANISATION BEHAVIOUR:

The approaches of organization Behaviour are as follows:

1) Human Resources Approach: In the traditional approach, managers decided what employees should do and closely monitored their performance to ensure task accomplishment. The role of manager changes from control of employee to support them. This approach is based on the fact that people are the central resource in an organization. This approach is also called as the supportive approach. They should be

developed towards higher levels of competency, creativity, and fulfillment. People thus contribute to the success of the organization.

2) Contingency Approach: This approach focus on the fact that there is no single alternative to manage effectively under all situations. Organisation is influenced by internal environment as well as external environment. A particular solution may results in success in a situation and the same may fail. Effective management will vary in different situations depending on the individuals of an organization, nature of the technology and the environment facing the structure of an organization. Therefore, the manager has to identify a method which results in the attainment of organistion's goals under particular circumstances and at a particular time.

3) Productivity Approach: Productivity is a measure of an organization's effectiveness. It also reveals the manager's efficiency in optimizing resource utilization. The higher the numerical value of this ratio, the greater the efficiency. Productivity is generally measured in terms of economic inputs and outputs. But human and social inputs and outputs also are important. Organizational behavior decisions involve human, social, and economic issues.

4) Systems Approach: The Systems Approach views the organization as a purposeful system with number of subsystems which are interrelated. This approach gives managers a way of looking at the organization as a whole, whole, person, whole group, and the whole social system. The activity of one segment of an organization affects the activity of other segment. The role of manager is to build an organizational culture in which talents are utilized, people are motivated and teams become more productive. Hence, organizations achieve their goals and society obtains the reward.

APPROACHES OF ORGANISATION BEHAVIOUR

Human approach

Productivity Approach

Inter- Disciplinary Approach

Contingency Approach

System Approach
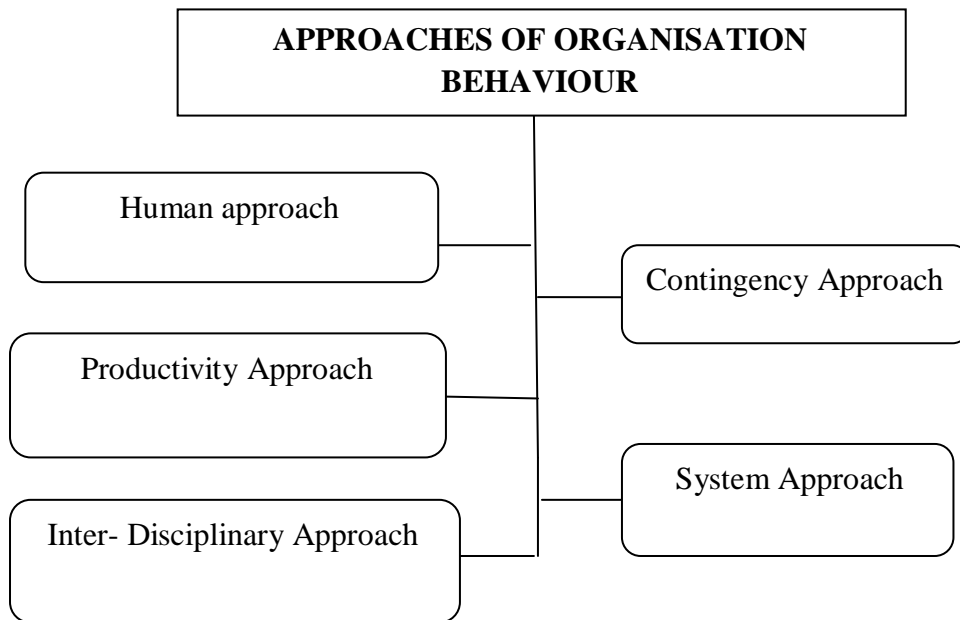
Fig. 1.1. Approaches of Organisation Behaviour

5) Inter-Disciplinary Approach: Organizational behavior is an integration of all other social sciences and disciplines such as psychology, sociology, organisational theories etc. They all are interdependent and influence each other. The man is studied as a whole and therefore, all disciplines concerning man are integrated.

1.8 MODELS OF ORGANISATION BEHAVIOUR

Organisations differ in the quality of organisational behaviour that they develop. These differences are substantially caused by different models of organizational behaviour that dominant management's thought in each organization. The model that a manager holds usually begins with certain assumptions about people and thereby leads to certain interpretations of organizational events.The following four models of organizational behaviour are as follows:

1) Autocratic Model: Autocratic model depends upon strength, power and formal authority. Manager uses his formal authority for controlling the employees who work under them. The key decisions are made by the top management level. The employees are not given freedom. They have to execute the work as per the plan designed by their superiors. The employees are easily frustrated. Their physical or mental health may be affected.

2) Custodial Model: Custodial model is based on the concept of providing economic security for employees through wages and other benefits. This will create employee loyalty and motivation. Many professional companies provide health benefits, corporate cars, financial packaging of salary, and these incentives are designed to attract and retain quality staff. Such welfare measures make the employees dependent on the organisation that becomes their custodian. But there is no guarantee that his performance level will be high.

3) Supportive Model: The supportive model is focused around aspiring leadership. It is not based upon control and authority or incentives. This approach tries to motivate staff through the manager-employee relationship and how employees are treated on a day-to-day basis. Employees are self-motivated and have value and insight to contribute to the organization. The intent of this model is to motivate employees through a positive workplace where their ideas are encouraged and often adapted. Each employee has the capacity to perform and strive to use his skills. Employees need for status and recognition is satisfied.
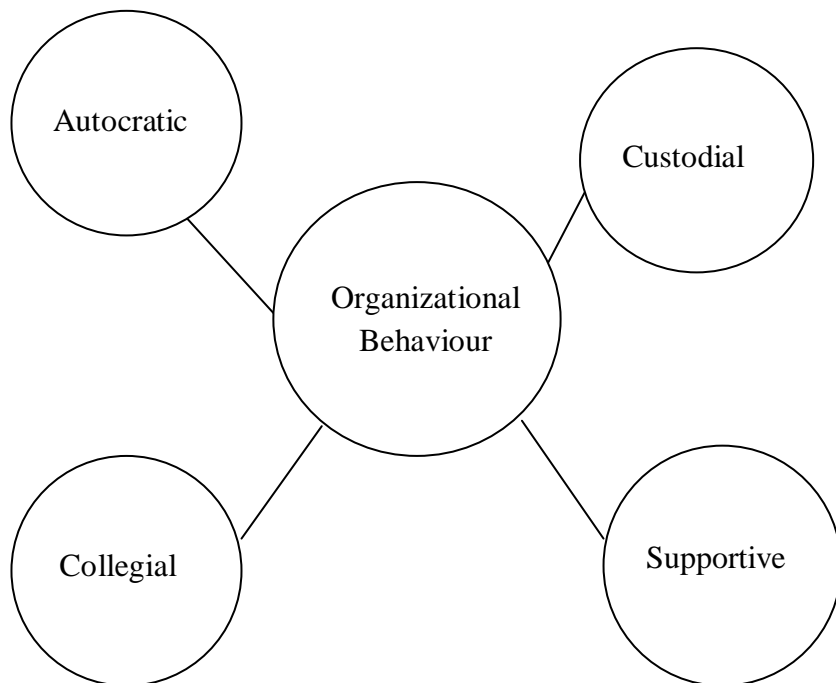
Fig.1.2.Models of Organisation Behaviour

4) Collegial Model: The collegial model is based on teamwork. The overall environment and corporate culture need to be aligned to this model. Every employee is actively participating and is encouraged to work together to build a better organisation. The manager participates in the process of task performance by the subordinates. The manager and the subordinates work as a team. There is better interaction among the team members. There is high degree of self discipline and involvement among employees resulting in better quality of production. Employees need for self actualization is met.

Table 1.1. Models of Organisation Behaviour

Models Basis	Autocratic	Custodial	Supportive	Collegial
Basis of model	Power	Economic resources	Leadership	Partnership
Managerial Orientation	Authority	Money	Support	Teamwork
Employee Orientation	Obedience	Security & benefits	Job Performance	Responsible Behaviour
Employee psychological result	Dependence on boss	Dependence on organization	Participation	Self – discipline
Employee needs	Subsistence	Security	Status & recognition	Self-actualisation
Performance result	Minimum	Passive Cooperation	Awakened drives	Moderate enthusiasm

1.9 Limitations of Organisational Behaviour

Improved organisational behaviour will not (by itself) solve unemployment. It will not make up for our own deficiencies. It cannot substitute for poor planning, incompetent organizing, or inadequate controls. It is only one of many systems operating within a larger social system. There are three major limitations of Organisation Behaviour:

1) Behavioural Bias

i) Overemphasizing the Employee Satisfaction: People who lack system understanding and become superficially infatuated with Organisation Behaviour may develop a behavioural bias, which gives them a narrow viewpoint that emphasizes satisfying employee experiences while overlooking the broader system of the organisation in relation to all its publics. Concern for employees can be so greatly overdone that the original purpose of bringing people together—

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productive organisational outputs for society-is lost. Sound organisational behaviour should help achieve organisational purposes, not replace them. The person who ignores the needs of people as consumers of organisational outputs while championing employee needs is misapplying the ideas of organisational behaviour.

(**ii**) **Overemphasizing the Production Output:** Moreover, the organisation who pushes production outputs without regard for employee needs is misapplying organisational behaviour. Sound organisational behaviour recognizes a social system in which many types of human needs are served in many ways.

Behavioural bias can be so misapplied that it harms employees as well as the organisation. Some people, in spite of their good intentions, so overwhelm others with care that the recipients of such care are emotionally smothered and reduced to dependent-and unproductive-indignity. They become content, not fulfilled. They find excuses for failure rather than take responsibility for progress. They lack self-discipline and self-respect.

2) The Law of Diminishing Returns: The law of diminishing returns states:

(**i**) **Too much OB Emphasis Produce Negative Results:** Overemphasis on an organisational behaviour practice may produce negative results, as indicated by the law of diminishing returns. It states that at some point, increases of a desirable practice produce declining returns, eventually zero returns, and then negative returns as more increases are added.

(**ii**) **Optimum Desirable Practice:** The concept implies that for any situation there is an optimum amount of a desirable practice, such as recognition or participation. When that point is exceeded, there is a decline in returns. In other words, the fact that a practice is desirable does not mean that more of it is more desirable.

(**iii**) **Does Not Apply to Every Human Situation:** Diminishing returns may not apply to every human situation, but the idea applies so widely that it is of general use. Furthermore, the exact point at which an application becomes excessive will vary with the circumstances, but an excess can be reached with nearly any practice.

(**iv**) **A System Concept:** Essentially, diminishing return is a system concept. It applies because of the complex system relationships of many variables in a situation. The facts state that when an excess of one variable develops, although that variable is desirable, it tends to restrict the operating benefits of other variables so substantially that net effectiveness declines. For example, too much security may lead to less employee initiative growth. This relationship shows that organisational effectiveness is achieved not by maximizing one human

variable but by combining all systems variables together in a balanced way.

3) Unethical Manipulation of People:

(i)Misuse of OB Knowledge and Techniques: A significant concern about organisational behaviour is that its knowledge and techniques can be used to manipulate people unethically. People who lack respect for the basic dignity of the human being could learn organisational behaviour ideas and use them for selfish ends. They could use what they know about motivation or communication in the manipulation of people without regard for human welfare. People who lack ethical values could use people in unethical way.

(ii) Ignores Ethical Relationship: The possibility of manipulation means that people in power in organisations must maintain high ethical and moral integrity and not misuse their power. Without ethical leadership, the new knowledge that is learned about people becomes a dangerous instrument for possible misuse. Ethical leadership following attributes:

  a) **Social Responsibility:** Responsibility to others arises whenever people have power in an organisation.

  b) **Open Communication:** The organisation will operate as a two-way, open system, with open receipt of inputs from people and open disclosure of its operations to them.

  c) **Cost-Benefit Analysis:** In addition to economic costs and benefits, human and social costs and benefits of an activity will be analyzed in determining whether to proceed with the activity.

As the general population learns more about organisational behaviour, it will be more difficult to manipulate people, but the possibility is always there. That is why society desperately needs ethical leaders.

1.10 GLOBAL SCENARIO OF ORGANISATION BEHAVIOUR:

Due to globalization of economy, many organisations now operate in more than one country. These multinational operations add new dimensions to organizational behaviour. It is a step into different social, political and economic environments. Therefore, communication and control becomes difficult. The social, political and economic differences among countries" influence international organizational behaviour.

Managing in a global environment: Changes in the global marketplace have brought the need to think globally. For any company competing in the global marketplace it is essential to understand the

diverse cultures of the individuals involved and develop cross cultural sensitivity.There are five dimensions of cultural differences that formed the basis for work related attitudes. These are Individualism (a cultural orientation in which people belong to lose social framework and their primary concern is for themselves and their families)versus collectivism(a cultural orientation in which people belong to tightly knit social framework and they depend strongly on large extended families or clans); power distance(the degree to which culture accepts unequal distribution of power); uncertainty avoidance(the degree to which a culture tolerates ambiguity and uncertainty); masculinity(the cultural orientation in which assertiveness and materialism are valued) versus femininity(the cultural orientation in which relationships and concern for others are valued) and time dimension(whether a culture's values are oriented towards the future or towards the past and present). It is also required for these companies to bring in structural changes as and when required based on the demands of the global environment. Many organizational structures have become flatter as a measure of lowering cost and remaining competitive while some structures have grown more complex as a result of mergers, acquisitions and new ventures. Several organizations are hiring contingent workforces while others are moving from a traditional to a team based structure.

Managing workforce diversity: Workforce diversity has always been an important issue for organizations. Diversity encompasses all forms of differences among individuals, including culture, gender, age, ability, religious affiliation, personality, economic class, social status, military attachment and sexual orientation. Today the workforce has become richly diverse in terms of age, gender, educational backgrounds, talents and perspectives to their jobs. New labour force has emerged and management's leadership practices must change to match the new conditions. These fast moving developments have given new emphasis to leadership ability. Some companies are discovering that demonstrating a sense of caring, really listening to employees and being concerned with both competence and relationships are among the keys to the motivation of the present workforce. Other companies are urging their managers to respond to a diverse workforce by building pride without devaluing others, empowering some without exploiting others, and demonstrating openness, confidence, authentic compassion and vulnerability. Diversity can enhance organizational performance but five problems are particularly important: resistance to change, cohesiveness, communication problems, conflicts and decision making.

Managing Technological Innovation: Examples of the impact of technology includes the increasing use of robots and automated control system in the assembly lines, shift from manufacturing to service economy, widespread use of Internet and the need to respond to societal demands for improved quality of goods and services at

acceptable prices. The great benefit of technology is that it allows people to do more and better work, but it also restricts people in many ways-thus having both benefits as well as costs. Each of the technological advancements places increased pressure on OB to maintain a delicate balance between technical and social systems. Technological innovations like expert systems, robotics, world wide web etc have been responsible to large extent for the advent of alternative work arrangements like Telecommuting, Hotel and Satellite offices and also has started affecting the very nature of the management job like developing technical competency of themselves and also of the workers, motivating employees for reinvention, dealing with employee stress, depression, anxiety and helping employees to adjust to technological changes.

Managing Ethical issues at work: Formal relationships create complex problems of cooperation, negotiation and decision making due to differences in resource power .This may give rise to many ethical issues in the organization like employee theft, comparable worth of employees, conflict of interest, sexual harassment, romantic involvements, organizational justice, whistle blowing. Managers must confront these ethical challenges of individual and group level and also those ethical issues that are encountered in organizational level like environmental issues and corporate social responsibility and handle them successfully.

Value of Organisation Behaviour in developing competencies for facing the challenges: These four challenges are important because the way managers handle them and shapes employee behaviour. Organizational behaviour can be used to do this effectively. Organizational behaviour helps people attain the competencies (an interrelated set of abilities, behaviors, attitudes, and knowledge needed by an individual to be effective in most professional and managerial positions) needed to become effective employees, team leaders/members, or managers. Seven Foundation Competencies are:

_ Managing Self

_ Managing Communication

_ Managing Diversity

_ Managing Ethics

_ Managing Across Cultures

_ Managing Teams

_ Managing Change

However the field of Organizational Behaviour faces two continuing challenges while doing this.

These two continuing challenges are:

Varying environment: Failure of managers to recognize the impact of different environment and modifying the OB concepts accordingly. Management has to be conscious of these two challenges and overcome them so that the knowledge of Organisation Behaviour can be utilized properly for increasing organizational effectiveness.

Motivating and Leading Local Employees: Same motivational tools may not suit the employees of all the nations. Hence, appropriate motivational techniques need to be implemented depending on the requirement of employees of that particular nation.

Similarly, communication problems may also arise between the expatriate manager and the employees of the host country. Hence, managers need to make adjustments in their communication suited to local cultures. If local culture is ignored, the resulting imbalance in the social system interferes with the productivity.

Eventually, a cadre of employees with cross-cultural adaptability can be developed in organizations with large international operations. These employees are 'trans-cultural' employees because they operate effectively in several cultures. They are low in ethnocentrism and adapt readily to different cultures without major cultural shock. They usually can communicate fluently in more than one language.

Trans-cultural employees are especially needed in large, multinational firms that operate in a-variety of national cultures. For a firm to be truly multi-national in character, it should have ownership, operations, markets and managers truly diversified. Its leaders look to the world as an economic and social unit; but they recognize each local culture, respect its integrity, acknowledge its benefits and use its differences effectively in their organization.

1.11 Check Your Progress Questions

1. Define Organisation Behaviour.
2. List out the core elements of Organisation Behaviour.
3. Spell out the various approaches of Organisation Behaviour.
4. Indicate the various disciplines contributing to Organisation Behaviour.
5. What are the different models of Organisational behaviour?

1.12 Summary

- Organisational Behavior is the study of human behavior in organsational settings. It acts as the interface between human behavior and the organization.

- Organisational behaviour is concerned with people's thoughts, feelings, emotions and actions in setting up a work. Understanding an individual behaviour is in itself a challenge,

but understanding group behaviour in an organisational environment is a monumental managerial task.

- The essential features of Organisation Behaviour are multidisciplinary character, goal oriented, humanistic and optimistic approach, multi-level study character, situational character, total system approach, cause and effect relationship, both science as well as art, normative science and dynamic character.

- People, Structure, Technology and Environment are the four major elements of Organisation Behaviour.

- The need to study organisation behaviour are summarised and they are due to better labour-management relationships, decision to overcome resistance, identify individual differences, understand the group behaviour, tackle conflicts, counselling and introduction of change.

- Organisational behaviour is an applied behavioural science that is built upon contributions from a number of behavioural disciplines like Psychology, Medicine, Sociology, Social Psychology, Anthropology, Political science, Engineering and Economics.

- The approaches of organisation Behaviour are Human Resources Approach, Contingency Approach, Productivity Approach, Systems Approach and Inter-Disciplinary Approach.

- The model that a manager holds usually begins with certain assumptions about people and thereby leads to certain interpretations of organizational events. The following four models of organizational behaviour are as follows and they are Autocratic model, Custodial model, Supportive model and collegial model.

- It is only one of many systems operating within a larger social system. There are three major limitations of Organisation behaviour are behavioural bias , law of diminishing returns and unethical manipulation of people.

1.13 KEY WORDS

Environment: The sum total of all surroundings of a living organism, including natural forces and other living things, which conditions for development and growth as well as of danger and damage.

Behaviour : A response of an individual or group to an action, environment, person or stimulus.

Sociology: The systematic study of the development, structure, interaction, and collective behavior of organized groups of human beings.

Psychology: Psychology is the scientific study of the mind and behaviour. It includes many sub-fields of study such areas as human development, sports, health, clinical, social behavior and cognitive processes.

Humanistic: Humanistic philosophy and values reflect a belief in human dignity and science. It studies the whole person, and the uniqueness of each individual.

Optimistic: An optimistic person thinks the best possible thing will happen.

Normative Science: A science that tests or evaluates and not merely describes or generalizes facts specifically the group comprising logic, ethics, and aesthetics.

Dynamic: Capable of changing or being changed , not static. Characterized or distinguished by continuous change or vigorous activity, high effectiveness, energy, or force.

Contingency: Describe an event or situation that is a possible outcome but one that's impossible to predict with certainty.

Autocratic: Autocratic leadership is a form of management style in which one leader or member of the organisation takes decisions on behalf of the company.

Custodial : A custodian is a financial institution that holds customers' securities for safekeeping in order to minimize the risk of their theft or loss.

Ethical Relationship: An ethical relationship is a basic and trustworthy relationship that one has on another human being.

1.14 Answers to Check Your Progress

1. Organisational behaviour is the study and application of knowledge about how people act within an organisation. It is a human tool for human benefit. It applies broadly to the behaviour of people in all types of organisation.

2. The core elements of Organisation Behaviour are People, Structure, Technology and Environment.

3. The approaches of organisation Behaviour are Human Resources Approach, Contingency Approach, Productivity Approach, Systems Approach and Inter-Disciplinary Approach.

4. The various disciplines contributing to Organisation Behaviour are Psychology, Medicine, Sociology, Social Psychology, Anthropology, Political science, Engineering and Economics.

5. The following four models of organizational behaviour are Autocratic model, Custodial model, Supportive model and collegial model.

1.15 Questions and Exercises

Short Questions:

1. State the meaning of Organisation Behaviour.
2. Spell out the elements of Organisation Behaviour.
3. What do you understand by Autocratic Model?
4. Spell out the limitations of Organisational behaviour.

Long Questions:

1. Explain the features of Organisation Behaviour.

2. Discuss the various disciplines contributing to Organisation Behaviour.

3. Outline the different approaches of Organisation Behaviour.

4. Summarize the Global scenario of Organisation Behaviour

1.16 Suggested Readings

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UNIT II INDIVIDUAL BEHAVIOUR

Structure

2.0 INTRODUCTION

Organisations are composed of individuals and each individual is different from the other. The behaviour of each individual is influenced by several factors. Every individual has particular motives, ambitions, perception and abilities. Every organisation wants to get the maximum possible efforts and contributions from its employees. The efforts and contributions of human being depend upon their behaviour. No organisation can exist without individuals. It is very important for the manager to understand how the individuals behave. Individual behaviour means how an employee or individual behaves, reacts or responds in a given environment. The individual behaviour is a function of person, environment and the organistion. The organizational performance is largely affected by the way individuals behave at work. That individual with different characteristics behaves differently in the similar and different situations. This underlines the need for managers to understand individual behaviour so as to extract the best and maximum contribution from them.

Personality of an individual affects human behaviour. Hence, understanding human behaviour in organisation in a better way underlies the need to understand personality in its various aspects. Personality is the collection of all possible ways in which an individual reacts and communicates with others. It can also mean how people influence others as well as how they understand and view themselves. Personality is an integrated system which includes both the aspects of a person, the one which are inherited as well as those that are learned.

Attitudes are evaluative statements. Attitude is a persistent tendency to feel and behave in a particular way towards some objects, persons or events. Attitude refers to the feeling and behaviour of an individual towards any object or situation. The proper functioning of an individual can be easily determined either by his behaviour or by his personality. Attitude refers to outlook or point of view of a person regarding any object. In simple words, thinking, feeling and reaction of an individual towards various aspects of environment is known as Attitude.

2.1 OBJECTIVES

After studying this Unit, you should be able to:
- Appreciate the need for understanding human behaviour at work in organisations.
- Understand the individual differences.
- Explain the causes of human behaviour.
- Define the concept of personality.
- Discuss the theories of personality.
- Analyse the concept and components of Attitudes.
- Evaluate organisational commitment.

2.2 MEANING AND FACTORS INFLUENCING INDIVIDUAL BEHAVIOUR

INDIVIDUAL BEHAVIOUR: The human beings may have several similarities as well as differences among them. These similarities and differences will have impact in the behaviour of employees in the organisation. The personality of employees and the determinants of personality, which will have an impact on an individual behaviour. People act, as they perceive. Different people perceive things differently. Values play an important role in the study of organizational behaviour as they lay the foundation to understand perception, attitudes and personality. Behaviour is what a person does. More precisely, it is defined as the observable and measurable activity of human beings.

Human beings are a combination of physiological system (nervous, digestive, circulatory system etc) as well as psychological system (perception, values, learning capabilities,, personality, feelings

and needs). Individual behaviour or human behaviour is the set of actions performed by an individual. Individual behaviour means some concrete action by a person. performance of an individual depends on the individual behaviour. The study of individual behaviour enables a person to determine how people behave in an organizational setting, the manner in which they communicate with each other and also an understanding of their own behaviour.

FACTORS INFLUENCING INDIVIDUAL BEHAVIOUR: Individual behaviour is caused by certain reasons. Behaviour is the result of interaction between individual characteristics and the characteristics of the environment in which the behaviour occurs. Each person is vested with a unique combination of characteristics is different from others. Some of the characteristics are inherited from birth and others are leaned over time. Personal characteristics remain inside the person whereas environmental remains outside the organisation. The behaviour of an individual is influenced by various factors. They are as follows:

I. Personal Factors:

(i) Age: Age affects regularity in attendance due to age related illness. Younger employees are able to better adapt to changes as compared to older employees.

(ii) Gender: Women employees are considered to be more sincere and dedicated as compared to men. They take lesser interest in union activities. Men are considered to be stronger.

(iii) Education: Educated employees are more disciplined and better in managing themselves. They expect challenging jobs, attractive salary and faster career growth.

(iv) Experience: Experienced employees are able to perform better than less experienced persons. They are able to produce more with better quality. Experience equips an employee with better knowledge and skills.

(v) Marital Status: Married employees prefer to settle in a steady job and earn a fair income. Marriage creates greater family commitment and makes a person more responsible. they would be regular in attendance, work diligently and do not change jobs very often.

(vi) Intelligence: Intelligence is inherited but it can be improved through efforts, training and experience. People with intelligence perform better, rapidly grasp new concepts and easily adapt to change.

2. Environmental Factors:

(i) Economic Factors: Economic factors influence organizations and the people working in it. Wage rates, incentives, bonus, increments

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depends on the economic environment. Employees have to be sincere and work diligently to retain their jobs.

(ii) Political Factors: In case of country ruled by a dictator, organisation tends to have autocratic leadership. Employees have less freedom and low morale. whereas in the case of democratic leadership, employees have better freedom. Companies enable participation of employees in decision making resulting in better morale and motivation.

(iii) Cultural Factors: Culture is unique and differs from country to country. Values, beliefs and work ethics are influenced by culture. Based on the culture of an organisation, the loyalty of the employees may differ.

Personal

Environmental Factors

Psychological Factors

Organisational Factors

i)Age
ii)Gender
iii)Education
iv)Experience
v)Marital Status
vi)Number of dependents
vii)Intelligence

i) Economic Factors
ii) Political Factors
iii) Cultural Factors
iv) Technological changes

i) Values
ii) Attitude
iii) Perception
iv) Personality
v) Learning

i) Organisational Structure
ii) Leadership
iii) Reward system
iv) Provision of facilities
v) Job Security
vi) Work Environment

Fig 2.1. Factors influencing individual differences

(iv) Technological changes: It influences job opportunities, types of jobs available and skills required. Technological developments creates possibilities for working from home, outsourcing, flexibilities etc. this

improves employee convenience, makes them more productive and improves motivation.

3. Psychological Factors:

(i) Values: Value represents the moral structure of a person. They govern the way a person behaves, communicates and interacts with others. It helps to understand the attitude and motivation of individuals and factors influencing perception. A person who values honesty would be honest in his dealings.

(ii) Attitude: Attitude is the tendency to act in a certain way towards people, events, ideas or objects. Those with positive attitude towards work, would be regular, perform well and be loyal.

(iii) Perception: Perception is described as a person's view of reality. If a subordinate is perceived to be inefficient, he would not be given challenging jobs. If an employee is perceived as creative, he would be assigned jobs requiring creativity and innovation.

(iv) Personality: Personality refers to qualities and characteristics that define a person. It determines a person's pattern of behaviour, thought and feelings. It determines the type of activities that a person is suited for.

(v) Learning: It is relatively permanent change in behaviour caused by experience. Positive experiences in the work place influence positive behaviour in the long run. Well designed training programs play an important role in improving learning. Many organizations send their executives to leadership programs to improve their leadership behaviour.

4. Organisational Factors:

(i) Organisational structure: It shows the formal authority and relationship between persons in an organisation. A sound organisational structure provides role clarity and enables efficient functioning.

(ii) Leadership: It influences employee performance and growth. If the leader is of democratic nature, employees enjoy better freedom to contribute their ideas. But when the leader is an autocrat, he would command and control his subordinates. This paves path tolow morale and frustration among employees.

(iii) Reward system: If the reward system in an organisation recognizes good performance, employees would display positive behaviour. Reward systems are established to motivate employees for better performance.

(iv) Provision of Facilities: A well designed layout with good lighting, ventilation and control of noise induce better behaviour. Employees would have a positive vibration, concentrate better and perform well.

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(v) Job Security: Behaviour of employees is influenced by job security. The behaviour of government employees who enjoy job security differs from private sector employees. Private Sector employees face more stress to perform well and retain their jobs.

(vi) Work Environment: Comfortable and safe working environment plays a pivotal role in creating positive behaviour. If the working environment is unsafe and uncomfortable, it may leads to poor attitude towards work.

2.3 DEFINITION AND DETERMINANTS OF PERSONALITY

Personality is the product of social interaction in group life. In society every person has different traits such as skin, color, height and weight. They have different types of personalities because individuals are not alike. It refers to the habits, attitudes as well as physical traits of a person which are not same but have vary from group to group and society to society, everyone has personality, which may be good or bad, impressive or unimpressive. It develops during the process of socialization in a culture of a specific group or society. One cannot determine it of an individual exactly because it varies from culture to culture and time to time. For example, a killer is considered criminal in peace time and hero in war. The feeling and actions of an individual during interaction moulds the personality. It is the sum of total behaviors of the individual and covers both overt and covert behaviors, interests, mentality and intelligence. It is the sum of physical and mental abilities and capabilities. Personality has been derived from the Latin word "persona" which means "mask" used by the actors to change their appearance. It is the combination of an individual thoughts, characteristics, behaviors, attitude, idea and habits.

Definitions:

"Personality includes external appearance and behaviour, inner awareness of self as a permanent organizing force and particular pattern or organisation of measurable traits, both inner and outer." – **Floyd L. Ruch**

"Personality means how a person affects others and how he understands and views himself as well as the pattern of inner and outer measurable traits and the person-situation interaction". – **Fred Luthans.**

"Personality may be understood as the characteristic patterns of behaviour and modes of thinking that determine a person's adjustment to the environment". – **E.R. Hilgard and others.**

"Personality is the dynamic organisation within the individual of those psychological systems that determine his unique adjustment to his environment". – **Gordon W. Allport**

From the above definitions it is clear that, Personality represents the sum total of several attributes which manifest themselves in an individual, the ability of the individual to organize and integrate all the qualities so as to give meaning to life, and the uniqueness of the situation which influences behaviour of an individual.

DETERMINANTS OF PERSONALITY: What determines personality? Of all the complexities and unanswered questions in the study of human behaviour, this question may be the most difficult. People are enormously complex; their abilities and interests and attitudes are diverse. An early argument in personality research was whether an individual's personality was the result of heredity or environment. Was the personality predetermined at birth, or was it the result of the individual's interaction with his or her environment? Personality appears to be a result of both influences. Additionally, today we recognize another factor - the situation. The problem lies in the fact the cognitive and psychological processes, plus many other variables, all contribute to personality. The determinants of personality can perhaps best be grouped in five broad categories: biological, cultural, family, social and situational.

I) Biological Factors: The study of the biological contributions to personality may be studied under three heads:

a. Heredity: Heredity refers to those factors that were determined at conception. Physical stature, facial attractiveness, sex, temperament, muscle composition and reflexes, energy level, and biological rhythms are characteristics that are considered to be inherent from one's parents. The heredity approach argues that the ultimate explanation of an individual's personality is the molecular structure of the genes, located in the chromosomes. Research on animals has showed that both physical and psychological characteristics can be transmitted through heredity. But research on human beings is in adequate to support this view point. However, psychologists and geneticists have accepted the fact that heredity plays an important role in one's personality.

b. Brain: The second biological approach is to concentrate on the role that the brain plays in personality. Though researchers make some promising inroads, the psychologists are unable to prove empirically the contribution of human brain in influencing personality. The most recent and exciting possibilities come from the work done with electrical stimulation of the brain (ESB) and split-brain psychology.

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Preliminary results from the electrical stimulation of the brain (ESB) research give indication that better understanding of human personality and behaviour might come from the study of the brain. Work with ESB on human subjects is just beginning.

There seem to be definite pleasurable and painful areas in the human brain. This being true, it may be possible physically to manipulate personality through ESB.

c. Biofeedback: Until recently, physiologists and psychologists felt that certain biological functions such as brainwave patterns, gastric secretions, and fluctuations in blood pressure and skin temperature were beyond conscious control. Now some scientists believe that these involuntary functions can be consciously controlled through biofeedback. In BFT the individual learns the internal rhythm of a particular body process through electronic signals feedback from equipment that is wired to the body area. From this biofeedback the person can learn to control the body processing question. More research is needed on biofeedback before any definitive conclusions can be drawn. But its potential impact could be extremely interesting for the future.

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                    DETERMINANTS OF PERSONALITY

   Biological    Cultural     Family      Social     Situational
   Factors       Factors      Factors     Factors     Factors

   Heredity    Brain    Bio feedback    Physical Features
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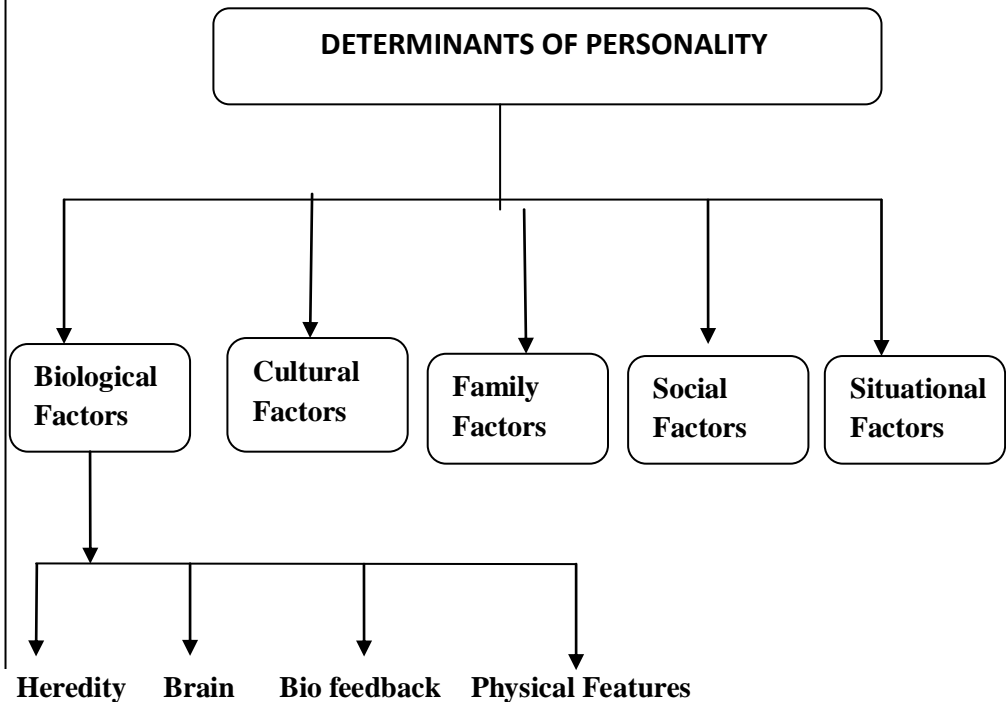
Fig.2.2. Determinants of Personality

d. Physical features: A vital ingredient of the personality, an individual's external appearance, is biologically determined. The fact that a person is tall or short, fat or skinny, black or white will influence the person's effect on others and this in turn, will affect the self-concept. Practically all would agree that physical characteristics have at least some influence on the personality. According to Paul H Mussen "a child's physical characteristics may be related to his approach to the social environment, to the expectancies of others, and to their reactions to him. These, inturn, may have impacts on personality development".

If personality characteristics were completely dictated by heredity, they would be fixed at birth and no amount of experience could alter them. But personality characteristics are not completely dictated by heredity. There are other factors, which also influence personality.

II) Cultural Factors: Among the factors that exert pressures on our personality formation are the culture in which we are raised, our early conditioning, the norms among our family, friends and social groups and other influences we experience. Traditionally, cultural factors are usually considered to make a more significant contribution to personality than biological factors.

The culture largely determines attributes toward independence, aggression, competition, and cooperation. According to Paul H Mussen "each culture expects, and trains, its members to behave in the ways that are acceptable to the group. To a marked degree, the child's cultural group defines the range of experiences and situations he is likely to encounter and the values and personality characteristics that will be reinforced and hence learned". Culture requires both conformity and acceptance from its members.

There are several ways of ensuring that members comply with the dictates of the culture. The personality of an individual to a marked extent is determined by the culture in which he or she is brought up. It follows that a person reared in a western culture has a different personality from a person reared in our Indian culture.

III) Family Factors: Whereas the culture generally prescribes and limits what a person can be taught, it is the family, and later the social group, which selects, interprets and dispenses the culture. Thus, the family probably has the most significant impact on early personality development.

A substantial amount of empirical evidence indicates that the overall home environment created by the parents, in addition to their direct influence, is critical to personality development. For example, children reared in a cold, un stimulating home are much more likely to be socially and emotionally Mal adjusted than children rose by parents in a warm, loving and stimulating environment. The parents play an

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especially important part in the identification process, which is important to the person's early development. According to Mischel, the process can be examined from three different perspectives.

- Identification can be viewed as the similarity of behaviour including feelings and attitudes between child and model.

- Identification can be looked at as the child's motives or desires to be like the model.

- It can be viewed as the process through which the child actually takes on the attributes of the model.

From all three perspectives, the identification process is fundamental to the understanding of personality development. The home environment also influences the personality of an individual. Siblings (brothers and sisters) also contribute to personality.

IV) Social Factors: There is increasing recognition given to the role of other relevant persons, groups and especially organizations, which greatly influence an individual's personality. This is commonly called the socialization process. Socialization involves the process by which a person acquires, from the enormously wide range of behavioural potentialities that are open to him or her. Socialization starts with the initial contact between a mother and her new infant. After infancy, other members of the immediate family – father, brothers, sisters and close relatives or friends, then the social group – peers, school friends and members of the work group, play influential roles.

Socialization process is especially relevant to organizational behaviour because the process is not confined to early childhood, taking place rather throughout one's life. In particular, evidence is accumulating that socialization may be one of the best explanations for why employees behave the way they do in today's organisations.

V) Situational Factors: Human personality is also influenced by situational factors. The effect of environment is quite strong. Knowledge, skill and language are obviously acquired and represent important modifications of behaviour. An individual's personality, while generally stable and consistent, does change in different situations. The different demands of different situations call forth different aspects of one's personality. According to Milgram "Situation exerts an important press on the individual. It exercises constraints and may provide push. In certain circumstances it is not so much the kind of person a man is, as the kind of situation in which he is placed that determines his actions". It is important that personality patterns should not be looked in isolation.

2.4 PERSONALITY THEORIES

Behavioural Science experts have developed different theories on the concept of personality. They are as follows:

1) Personality Type Theory: Eysenck and Cattell have developed the theory. Eysenck stated there are four personality types and they are as follows:

(a) Extrovert and Stable
(b) Extrovert and Neurotic
(c) Introvert and Stable
(d) Introvert and Neurotic

Personality Type theory classifies personalities based on the following basis:

Body build/ Structure: Psychologists have explained the concept of personality based on the body structure of individuals. Accordingly, people who are short and hefty are considered to be sociable, relaxed and even tempered. Tall and thin persons are likely to be self – conscious and restrained. Those with heavy set muscular body are noisy and insensitive and are fond of physical activity.

TABLE 2.1. DESCRIPTION OF PERSONALITY TYPES

Personality	Description of Personality Type
Extrovert	• Outgoing and Social • Fond of Company • Combines well with other people
Introvert	• Shy and reserves • Does not prefer company of others • Prefers Isolation
Neurotic	• Exhibits extreme and unpredictable emotions • Has wild mood swings • Moods are unreliable • Experiences high degrees of stress.
Stable	• Has predictable emotions • They do not exhibit intense stress • They recover quickly from stress

Psychological Factors: In type theory, there is another approach to classify personalities based on psychological factors. Personalities are classified into 'introverts' and 'extroverts'. Introverts are those who

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avoid social contacts and interaction with others. They are shy and quiet. Extroverts, on the other hand, are more sociable and friendly.

Hence, type theory provides a simple approach in understanding the concept of personality.

2) Trait Theory: Trait theory explains personality on the basis of traits of a person. Traits are the distinguishing characteristics of an individual. The level of intelligence differs among individuals. Some person has a very high level of IQ. Everyone has the capacity to communicate but some are exceptionally good in their communication ability.

A person who does not mingle freely with others and is quiet always is considered to be an introvert. If the person has the capacity to raise any issue in any forum and is able to convince others, he is considered to be a dominating personality.

An individual who always want to follow the conventional approach to work and who cannot accept changes will be called a conservative. It is common to identify individuals as honest or dishonest, generous or stingy, dependable or undependable, energetic or lethargic and so on.

Therefore, it is stated that according to the trait theory, conclusion about one's personality is based on their peculiar traits.

3) Psychoanalytical Theory: The credit of developing the psychoanalytical theory is given to Freud. The theory is based on the assumption that human behaviour is influenced more by unseen or unconscious forces rather than conscious and rational thoughts.The unconscious framework comprises of three elements. They are:

(i) Id: 'Id' refers to an individual's inherited psychological impulsive or drive. It is animalistic, unorganized and is present in the individual throughout his life. It forces the individual to satisfy certain urges, particularly thirst, hunger and sex. A person, who is starving, may even resort to stealing to satisfy his hunger. Id does not understand law and therefore it may, sometimes, be dangerous to the individual and to the society as well.
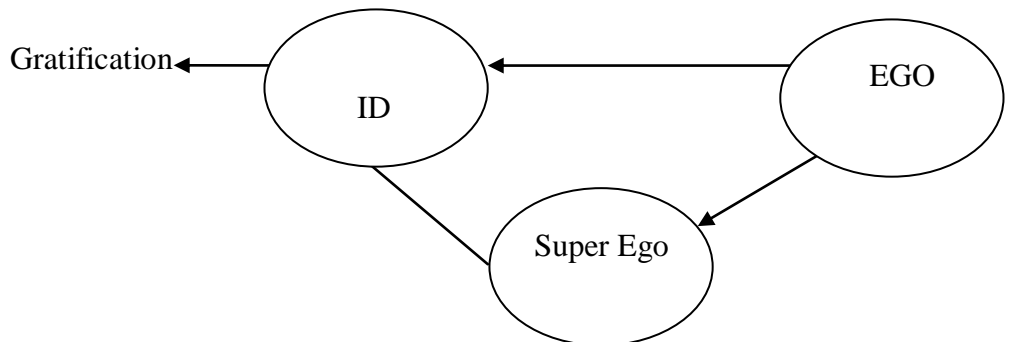
(ii) Ego: 'Ego' makes a person to understand the reality. It prevents him from doing anything for the sake of satisfying his urge. In other words, ego disciplines a person in the process of satisfying his needs and desires by telling him that there is an appropriate time and place for everything.

(iii) Super Ego: "Super Ego' denotes a system of norms, values and ethics. It guides the individual in knowing whether his actions are in conformity with the norms of the society.

4) Social Learning Theory: A person acquires certain behaviour or modifies his behaviour by learning. He learns to behave by observing the actions of others and the consequences of such actions. The behaviour of an individual is influenced by the situation. Sometimes he may also develop a situation to behave in a particular manner. This is termed as 'Reciprocal Behavioural Pattern'.

5) Self Theory: Carl Rogers is given credit for developing the self theory. It is based on what a person says about himself. Self theory comprises of (i) Perceptions (ii) Values (iii) Ideas and (iv) Characteristics that characterise 'I' or 'Me'. It focuses on the following factors:

- ❖ Self- Image: How one sees oneself.
- ❖ Ideal – Self: What one would like to be?
- ❖ Looking Glass – Self: Perception of a person about how others perceiving his qualities.
- ❖ Real Self: What one actually is?

6) Humanistic Theory: The theory focused on the importance of individual growth and development. It states that human nature is good or neutral. People are interested in their development and take steps. They have the capacity for creativity, development and realisation of their goals.

Maslow's Theory of Hierarchy of Human needs supported the humanistic theory. According to Maslow's theory, human needs have a hierarchy. Unless one need is satisfied, the individual would not move to the next level need. The five levels of needs according to the theory are (i) Basic or physiological needs (ii) Safety and Security needs (iii) Social Needs (iv) Esteem needs and (v) Self actualization Needs.

Organisations should create suitable work conditions and environment enabling an employee to move towards self actualization. This would enable efficient achievement of goals and improve the success and growth of organisations.

2.5 PERSONALITY DEVELOPMENT

The process of personality development at different stages of a person's life has been explained by many Psychologists. Important among them are:

- Freud's Approach to Personality Development and
- Erikson's Approach to Personality Development

2.5.1 FREUD'S APPROACH TO PERSONALITY DEVELOPMENT:

Sigmund Freud has identified the following stages in the process of personality development of a person are:

(i) Oral Stage: This stage covers the first year of one's life. Infants depend totally on others for their survival. The mouth is the body organ though which the child satisfies its biological needs at their stage. When teeth blow up, the child begins to bite and derives pleasure out of it.

The mouth remains an important body zone to derive pleasure throughout one's life. Indulgence in nail biting, gum chewing, overeating etc., by a person proves this point. Freud is of the view that insufficient or excessive stimulation given to the infant may make him passive in his adulthood.

(ii) Anal Stage: This stage covers the second and third years in one's life. The anal is the body zone that influences stimulation during this period. Children at this age, it is believed, derive pleasure by delaying bowel movements.

The toilet habits of the children during this phase have a considerable influence on the development of a personality at a later stage. If the parents advise the child on the need for regular bowel movements, the child may develop during its adulthood such personality traits as cruelty, destructiveness, disorderliness and hostility.

(iii) Phallic Stage: This stage is reached between the age three and four. The body zone responsible for stimulation at this phase is the child's sex organ. Children, during this stage, derive pleasure in examining their general organs. Sometimes the child may be prone to what is called 'Oedipus complex'. This causes anxiety and guilt feelings that may affect personality development.

(iv) Latency Stage: This phase occurs between four to six years and lasts till adolescence. At this stage the focus shifts to satisfying one's social needs, e.g., playing and talking with friends. It is only this phase, the child acquires the knowledge and skill necessary to progress.

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Table 2.2.Freud's Approach to Personality Development

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Stage	Age	Happenings
Oral	Upto 1 year	Biological desires fulfilled by thumb sucking, biting etc
Anal	1 – 3 Years	Stimulation by regulating bowel movement
Phallic	3 – 4 Years	Examining and fondling sex organs resulting in stimulation
Latency	4 – 6 years	Social needs get priority
Genetial	Adolescence to Adulthood	Revival of sexual desires

(v) Genetial Stage: This phase occurs during adolescence to adulthood. The individual revives his sexual desire. The interest in the opposite sex increases. Freudian approach to personality development is mainly based on sexual instincts right from childhood. Also his ideas have been criticized by many psychologists.

2.5.2 ERIKSON'S APPROACH TO PERSONALITY DEVELOPMENT

Erikson has identified eight different stages in the personality process of an individual. These stages are as follows:

(i) Infancy: The period covered by this stage is birth to one year. During this stage the infant who is well taken care of develops trust in others and in case it does not receive the love and affection of the people around it develops mistrust. Whatever happens during this stage has a lasting impact on one's personality.

(ii) Early childhood: This stage spreads between two and three years of a child. During this period, the child starts to acquire independence. When the child is allowed to it, and leads to autonomy of a child. If a child is disallowed, a sense of shame and doubt develops in the child.

(iii) Play Age: In the age of four and five years, the child seeks to discover what can be done. If the child is allowed and encouraged to do what she wants to do, the child develops a sense of initiative. Alternatively, if the child is discouraged to do, feels lack of self-confidence.

Table.2.3.Erikson's Approach of Personality Development

Stage	Age group	Positive Effect	Negative Effect
Infancy	Birth to one Years	Trust	Mistrust
Early childhood	One to three Years	Autonomy	Doubt & Shame
Play Age	Four and five Years	Initiative	Guilty
School Age	Six to twelve years	Enterprising	Inferior
Adolescence	Teenage	Self Identity	Confusing
Early Adulthood	20 plus	Intimacy	Isolation
Adulthood	40 plus	Generativity	Stagnation
Old Age	Old Age	Integrity	Despair

(iv) School Age: When the child joins school from ages 6 to 12 years, learns knowledge and skills. If the child makes progress compatible with her abilities, it develops child a sense of industry. The opposite results in a sense of inferiority.

(v) Adolescence: The children during their teenage period try to gain a sense of identity for them in the society. They do not want to become confused about themselves. The autonomy, initiative and industry developed in earlier stages help the teenagers gain identity for them.

(vi) Young Adulthood: The young during their twenties try to develop deep and permanent relationship with others to have a feeling of intimacy. Failing in it results in a sense of isolation.

(vii) Adulthood: The adults during fourtees and fiftees of their ages face the situation of generativity or self-absorption. Adults who are productive in work, raise children with serious concern and guide to next generation are called generative. Self –absorbed adults do not look

beyond themselves. They are absorbed in their career development and maintenance.

(viii) Old Age: The adults of integrity gain a sense of wisdom. Adults appreciates continuity of past, present and future and becomes fully satisfied. Fear of death is dispelled. The reverse situation results in a sense of despair, fear from death, desire for living second time and depressed.

2.6 DEFINITION AND NATURE OF ATTITUDE

Attitudes are individuals' general affective, cognitive and intentional responses toward objects, other people, themselves, or social issues. Attitudes are evaluative statements – either favourable or unfavourable – concerning objects, people or events. Attitudes constitute an important psychological attribute of individuals which shape their behaviour. Attitude as a predisposition to respond in a positive or negative way to someone or something in one's environment. When a person says that he likes or dislikes something, an attitude is being expressed.

They reflect how one feels about something. As individuals, we respond favourably or unfavourably towards many things; co-workers, bosses, our own appearances, etc. The importance of attitudes lies in their link to behaviour. When an employee says, "I like my job", he or she is expressing his or her attitude about work.They provide the background against which facts and events are viewed. It becomes necessary to know the attitudes of members of an organization because they have to perceive specific aspects like pay, hours of work, promotion etc., of their job life in the wider context of their generalized attitudes. An attitude is also a cognitive element; it always remains inside a person. Everyone's psychological world is limited and thus everyone has a limited number of attitudes. In business organisations, employees have attitudes relating to world environment, job security etc. the individual's attitudes towards these factors are indicative of his apathy or enthusiasm towards the activities and objectives of the organisations.

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

"Attitudes are learned dispositions towards aspects of our environment. They may be positively or negatively directed towards certain people, services or institutions". – Munn and others.

" An attitude is a tendency or predisposition to evaluate an object or symbol of that object in a certain way" – Katz and Scotland.

"An attitude is a mental and neutral state of readiness, organized through experience, exerting a directive or dynamic influence upon the individual 's response to all objects and situations with which it is related". – G.W.Allport

NATURE OF ATTITUDE:
- Attitudes are the feelings and beliefs of an individual about other persons and things in his environment.
- Attitudes may be positive or negative. A person with a positive job attitude, render his job in an effective manner.
- Attitudes influence behaviour. An employee with a negative attitude may not be regular in work, quarrel frequently with his superiors and fellow – employees.
- Attitudes are acquired through learning over a period of time.
- Attitudes are intangible in nature and they cannot be directly observed. A person can study the attitude of another by observing the latter's behaviour.
- Attitudes are subject to change. A person having a negative attitude towards his job may start developing a positive attitude towards it.
- All individuals hold attitudes irrespective of their age, gender, social status and so on.

2.7 CHARACTERSITICS OF ATTITUDE:

The Characteristics of attitude includes the following:

1) Attitudes have an object: Attitude should be focused to some objective, i.e., must be purposeful. The 'objective' to be focused can either be a single person or a social group, a physical object or a product or even an action. The object to be focussed can either be intangible item, such as "moral behaviour" or a concrete item, such as a car. If there is no focal point, an attitude of an individual cannot be acknowledged.

2) Attitudes have direction, degree and Intensity: Feelings that an individual expresses by his attitude are as follows:

i) **Direction:** Attitude determines the orientation of an individual, i.e., whether he is in favour of the object or against it.

ii) **Degree:** the extent to which an individual is in favour or against the object.

iii) **Intensity:** Degree and intensity are realte to each other, but they are not identical. Intensity means how strongly and confidently an individual is able to express his viewpoint about the particular object or situation.

3) Attitudes have structure: Attitudes are a way of exhibiting an organisation. Attitudes are very important for every organisation as they are internally reliable. Sometimes these attitudes are firm and specific, sometimes they are silent and sometimes they are universal in nature. Atitudes closer to the centre is more important than those attitudes which far away from the centre.

4) Attitudes are Learned: Attitudes develop from experience, i.e., they are learnt. Attitude has a great impact on one's life irrespective of the age group. Especially, in the childhood, the attitude of a child is greatly influenced by his family members. which continues till the entire life. For example, a positive attitude of a family towards a business and their negative attitude towards a business and their negative attitude towards a service will be transmitted to the child.

2.8 COMPONENTS OF ATTITUDE

The three components of attitudes are as follows:

1. Cognitive Component: This component includes the beliefs an individual has about a certain person, object or situation. The belief that 'discrimination is wrong' is a value statement. Such an opinion is the cognitive component of an attitude. Learned beliefs, such as you need to work long hours to get ahead in this job", lead to attitudes that have an impact on behavior in the workplace. The cognition component of an attitude reflects a person's perceptions or beliefs. Cognitive elements are evaluative beliefs and are measured by attitude scales or by asking about thoughts. The statement "I believe Japanese workers are industrious" reflects the cognitive component of an attitude.

2. Affective Component: This component refers to the person's feelings that result from his or her beliefs about a person, object or situation. A person who believes hard work earns promotions may feel anger or frustration when he or she works hard but is not promoted. The effective component becomes stronger as an individual has more frequent and direct experience with a focal object, person or situation. 'Affect' is the emotional component of an attitude. It refers to an individual's feeling about something or someone. Statements such as "I like this" or "I prefer that" reflect the affective component of an attitude. Affect is measured by physiological indicators such as galvanic skin response (changes in electrical resistance of skin which indicate emotional arousal) and blood pressure. These indicators show changes in emotions by measuring physiological arousal. If an individual is trying to hide his or her feelings, this might be shown by a change in arousal.

3. **Behavioural Component**: This component refers to the individual's behaviour that occurs as a result of his or her feeling about the focal person, object or situation. An individual may complain, request a transfer, or be less productive because he or she feels dissatisfied with work. The behavioural component of an attitude refers to an intention to behave in a certain way towards an object or person. For example, our attitudes towards women in management may be inferred from an observation of the way we behave toward a female supervisor. We may be supportive, passive or hostile depending on our attitude. The behavioral component of an attitude is measured by observing behavior or by asking a person about behavior or intentions.

2.9 MEASUREMENT OF ATTITUDE:

Attitudes are the human tendencies which are formed either on the basis of sensible thinking or concrete evidences. Each individual can be distinguished based on various aspects of attitude. The important methods of attitude measurement are as follows:

1)**Thrustone Type of scale:** This method was developed by L.L. Thurstone and E.J Chave. Numerous statements (both favourable and unfavourable) pertaining to attitudes which are to be measured are
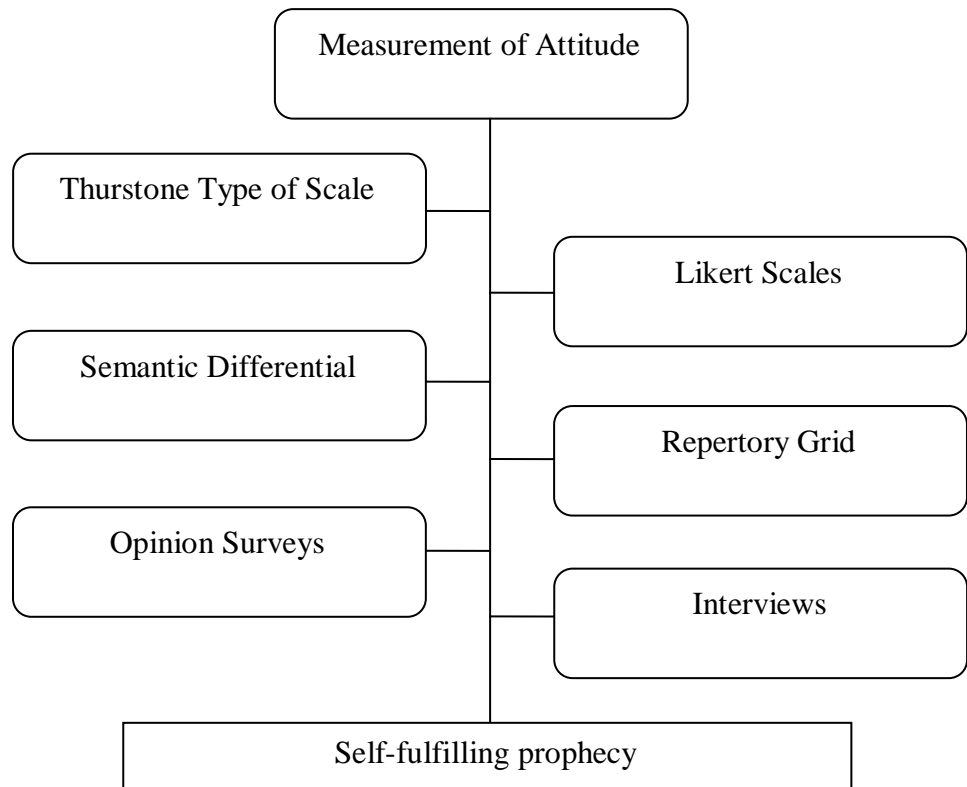
Fig.2.4. Measurement of Attitude

collected and kept in 11 piles. The most favourable statement is kept on pile 1 and the least favourable on pile 11. Each statement has a numerical value. These scales are then offered to respondents. The respondents are required to choose among the statements to which they agree. After that their attitude score is calculated on the basis of scale of statement selected by them.

2) Likert Scales: In Likert scale, the respondents are provided with statements pertaining to measurement of attitude. The respondents are then asked to select one of the following five degrees of approval or disapproval:

    i)   Strongly Approved

    ii) Approved

    iii) Undecided

    iv) Disapproval and

    v) Strongly Disapproved.

    The points given above determine the level of approval or disagreement by the respondent. An advantage of Likert Scale is that a single statement can have positive as well as negative degrees of approval.

3) Semantic Differential: This is developed by C.E.Osgood**, P.H. Tannenbaum and G.J. Suchi**, this scale uses polar adjectives (opposite terms) for an object or person on both ends. Scale values from 1 to 7 are given to the adjectives on which the respondent marks his choice. The scales chosen by respondents show their attitude towards an object or person. The sum of all the values chosen by the respondent is the total score.

4) **Repertory Grid:** This technique is based on the personal constructs theory of personality and was developed by **George Kelly** in 1955. It is used widely in comparative studies of attitude in marketing nd is also useful in studying perception, attitude and personality. It depends on the fact that people give meaning to their experiences in the form of 'constructs'. They have an urge to know more about the world and explain it through these constructs or concepts. The constructs are then measured and used to anticipate future happenings and infer attitudes.

5) Opinion surveys: The attitude scales are helpful in quantifying the morale and attitude of the employees but they do not reveal the forces which lead to dissatisfaction and discontentment among the employees. Management can conduct opinion surveys through questionnaires to know the degree of agreement or disagreement of employees for work

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environment, policies, amenities, rules etc. These agreements or disagreements are collected when employees are asked for their opinions on each point separately.

6) Interviews: Attitudes can also be measured through interviews. Third party organizations such as consultancies and Universities should be called to interview the employees. These interviews can either be guided or unguided. In the case of Guided interview, the interviewer asks questions which can be answered in single words, either'yes' or 'no'. On the other hand, generalized questions are asked in the unguided interview to give opportunities to employees to pit his views forward and express the degrees of organizational commitment, job involvement and job satisfaction.

7) Self – Fulfilling Prophecy: The term Self – Fulfilling Prophecy is referred mostly in negative terms. It says that an individual starts taking necessary actions when he/she anticipates something wrong. For example, a manager taking retention steps when he anticipates high employee turnover.

In positive terms, it refers to transforming attitudes and beliefs into reality. In other words, it means ensuring that something happens if it is expected to happen. For example, a farmer works harder in his fields, if he expects increased yield.

2.10 ORGANISATIONAL COMMITMENT AND INVOLVEMENT

Work-related attitudes are organisational commitment and involvement. Organisational commitment is the individual's feeling of identification with and attachment to an organisation. Involvement refers to a person's willingness to be a team member and work beyond the usual standards of the job. An employee with little involvement is motivated by extrinsic motivational factor and an employee with strong involvement is motivated by intrinsic motivational factors. A number of factors lead to commitment and involvement. Both may increase with an employee's age and years with the organisation, sense of job security and participation in decision-making. If the organisation treats its employees fairly and provides reasonable rewards and job security, employees are more likely to be satisfied and committed. Involving employees in decision-making can also help to increase commitments. In particular, designing jobs which are interesting and stimulating can enhance job involvement.

Organisational commitment is another job-related attitude which is of considerable significance to Organisation Behaviour. Organisational commitment refers to the strength of an employee's involvement in the organisational and identification with it. Very

recently the more global organizational commitment attitude has emerged out of the research as being important to understanding and predicting organisational behaviour. A strong relationship between satisfaction and commitment has been found.

Organisational commitment is most often defined as:

- a strong desire to remain a member of a particular organisation
- a willingness to exert high level of effort on behalf of the organisation and
- a definite belief in, and acceptance of the values and goals of the organisation.

Factors Determining Organisational Commitment: The organisational commitment is determined by a number of variables such as

(i) Personal (age, tenure in the organisation, and disposition such as positive or negative affectivity, or internal or external control attributions.)

(ii) Organisational (the job design and leadership style of one's supervisor).

(iii) Non-Organisational such as the availability of alternatives after making the initial choice to join organisation will affect subsequent commitments.

Dimensions of Organisational Commitment: The organizational commitment is a multi-dimensional concept. Three dimensions propounded by Meyer and Allen includes:

(i) Affective Commitment: It involves the employee's emotional attachment, to, identification with, and involvement of the organisation. Affective Commitment is an employee's intention to remain in an organisation because of a strong desire to do so. Affective commitment encompasses loyalty, but it is also a deep concern for the organisation's welfare. It consists of three factors:

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

(ii) Continuance Commitment: It involves commitment based on the costs that the employees associates with learning the organisation. Continuous commitment is an employee's tendency to remain in an organisation because the person cannot afford to leave. Alternative to leaving the organisation is probably securing a less lucrative job or remaining jobless.

(iii) Normative Commitment: It involves the employee's feelings of obligation to stay with the organisation. Normative commitment is a perceived obligation to remain with the organisation. Individuals who experience normative commitment stay with the organisation because they feel they should do.

Outcomes of Organisational Commitment: There are mixed outcomes of organisational commitment. Some studies support a positive relationship between organisational commitment and desirable outcome like performance, turnover and absenteeism. There is also evidence that the employee's commitment relates to other desirable variables such as perception of warmth, supportive organizational climate.

The most valuable ingredients for organisational commitment are positive and equitable work experiences. New hires must believe that the organisation is fulfilling its obligations. Organisational commitment tends to suffer when employee are overworked, not accompanied by commensurate rewards but senior executive enjoy perks disproportionate to their contribution to the success of the organisation. This has precisely what happened in most public sector undertakings.

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

2.11 CHECK YOUR PROGRESS QUESTIONS

1. Point out the factors influencing individual differences.
2. Define Personality.
4. Indicate the types of personality theories.
4. What do you understand by attitude?
5. Spell out the methods of measurement of Attitude.
6. What are the dimensions of organisational commitment?

2.12 SUMMARY

- The human beings may have several similarities as well as differences among them. These similarities and differences will have impact in the behaviour of employees in the organisation.

- Individual behaviour or human behaviour is the set of actions performed by an individual. Individual behaviour means some concrete action by a person. Performance of an individual depends on the individual behaviour.

- The factors influencing individual differences are personal factors, environmental factors, psychological factors and organisational factors.

- Personality means how a person affects others and how he understands and views himself as well as the pattern of inner

and outer measurable traits and the person-situation interaction".

- The determinants of personality can perhaps best be grouped in five broad categories namely biological, cultural, family, social and situational.

- Behavioural Science experts have developed different theories on the concept of personality. They are Personality Type Theory, Trait Theory, Psychoanalytical Theory, Social Learning Theory, Self Theory and Humanistic theory.

- The process of personality development at different stages of a person's life has been explained by many Psychologists. Important among them are Freud's Approach to Personality Development and Erikson's Approach to Personality Development

- Sigmund Freud has identified the following stages in the process of personality development of a person and they are Oral Stage, Anal Stage, Phallic Stage, Latency Stage and Genital Stage.

- Erikson has identified eight different stages in the personality process of an individual. These stages are as follows: Infancy, Early Childhood, Play Age, School Age, Adolescence, Young Adulthood, Adulthood and Old Age.

- Attitudes are individuals' general affective, cognitive and intentional responses toward objects, other people, themselves, or social issues. Attitudes may be positive or negative. A person with a positive job attitude, render his job in an effective manner.

- Attitudes are the feelings and beliefs of an individual about other persons and things in his environment.

- The three components of attitudes are as follows and they are Cognitive component, Affective component and Behavioural component.

- Attitudes are the human tendencies which are formed either on the basis of sensible thinking or concrete evidences. The important methods of attitude measurement are as follows and they are Thurstone Type of Scale, Likert Scales, Semantic

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Differential, Repertory Grid, Opinion Surveys, Interviews and Self-Fulfilling Prophecy.

- Two of the important work-related attitudes are organisational commitment and involvement. Organisational commitment is the individual's feeling of identification with and attachment to an organisation. Involvement refers to a person's willingness to be a team member and work beyond the usual standards of the job.

2.13 KEY WORDS

Individual Behaviour: Individual behavior can be defined as how an individual behaves at work. A person's behavior is influenced by the following factors like Attitude, Perception and Personality.

Personality: Personality embraces moods, attitudes, and opinions and is most clearly expressed in interactions with other people.

Attitude: Attitude influences an individual's choice of action, and responses to challenges, incentives, and rewards.

Organisational commitment: Organisational commitment is the individual's psychological attachment to an organisation.

Perception: Perception is the mechanism which enables a person to understand and organize his thoughts and ideas pertaining to his environment.

Trait Theory: Trait theory explains personality on the basis of traits of a person. Traits are the distinguishing characteristics of an individual. The level of intelligence differs among individuals.

Psychoanalytical Theory: This theory is based on the notion that an individual gets motivated more by unseen forces that are controlled by the conscious and the rational thought.

Likert Scale: A Likert Scale is a type of rating scale used to measure attitudes or opinions. With this scale, respondents are asked to rate items on a level of agreement.

2.14 ANSWERS TO CHECK YOUR PROGRESS

1. The factors influencing individual differences are personal factors, environmental factors, psychological factors and organisational factors.

2. "Personality is the dynamic organisation within the individual of those psychological systems that determine his unique adjustment to his environment

3. Behavioural Science experts have developed different theories on the concept of personality. They are Personality Type Theory, Trait Theory, Psychoanalytical Theory, Social Learning Theory, Self Theory and Humanistic theory.

4. Attitudes are the feelings and beliefs of an individual about other persons and things in his environment.Attitudes are individuals' general affective, cognitive and intentional responses toward objects, other people, themselves, or social issues.

5. Attitudes are the human tendencies which are formed either on the basis of sensible thinking or concrete evidences. The important methods of attitude measurement are as follows and they are Thurstone Type of Scale, Likert Scales, Semantic Differential, Repertory Grid, Opinion Surveys, Interviews and Self-Fulfilling Prophecy.

6. The organisational commitment is a multi-dimensional concept. Three dimensions propounded by Meyer and Allen includes Affective Commitment, Continuance Commitment and Normative Commitment.

2.15 QUESTIONS AND EXERCISES

Short Questions:
1. What do you understand by Individual Differences?
2. State the Erikson's different stages in the personality process of an individual.
3. Bring out the components of attitude.
4. Spell out the meaning of organisational commitment.
5. State the determinants of organisational commitment.

Long Questions:
1. Explain the factors influencing individual behaviour.
2. Elaborately explain the different theories of personality.
3. Discuss Freud's Approach to personality development.
4. Summarize the determinants of personality.
5. Enumerate the different methods of measurement of attitude.

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UNIT III LEARNING, ATTUTUDES, PERCEPTION, MOTIVATION AND ABILITY

Structure

3.0 INTRODUCTION:

Learning is an important psychological process that-determines human behavior. Learning can be defined as "relatively permanent change in behavior that occurs as a result of experience or reinforced practice". Learning is, therefore, considered vital for understanding human behaviour in different organizational situations, such as reducing absenteeism, substituting well – pay for sick – pay, improving employees discipline and developing training programme for the employees. Learning concepts provide a basis for changing behaviours that are unacceptable and maintaining those that are acceptable.

Learning theory can also provide certain guidelines for conditioning organizational behaviour. Managers know that individuals capable of turning out superior performance must be given more reinforces than those with average or low performance. Managers can successfully use the operant conditioning process to control and influence the behaviour of employees by manipulating its reward system.

Attitude is the evaluative statements or judgments concerning objects, people or events. Attitude can be defined as a persistent tendency to feel and behave in a particular way towards some object which may include evens or individuals as well.

Perception is the mechanism which enables a person to understand and organize his thoughts and ideas pertaining to his environment. In an organisation, it is the process by which one organises and interprets our sensory impressions in order to give meaning to the environment.

Motivation refers to the process of inspiring people for doing tasks and achieving goals and desires. It is a psychological occurrence that originates from the wants and needs of people. It is the force that drives individuals into action.

3.1 OBJECTIVES:

After studying this unit, you will be able to

- Understand the process of learning.
- Distinguish between classical and operant conditioning theories of learning.
- Analyse the determinants of perception.
- Suggest the ways to improve perceptual ability.
- Discuss various theories of personality and personality traits.
- Understand the significance of motivation.
- Interpret the different theories of motivation and their relevance to organisation behaviour.

3.2 MEANING AND DEFINITION OF LEARNING:

One of the crucial psychological processes is learning, through which human behaviour is determined. It is a never- ending procedure which is everlasting. So, learning can be defined as the summation of behavioural transformations which are the outcome of knowledge attained during the training. An individual attains knowledge and practicality from the training process which acts as a feedback to the individual and a reference for future responses.

Learning acts as a dominant encouraging factor for the employees to remain connected within organizations. It influences the abilities, various roles of life and motivation level of the individuals. Besides influencing individual behaviour, learning also plays a vital role in the management of knowledge. Through knowledge management, an organisation's acquisition and sharing capacity get boosted. As a result, knowledge can be utilized properly to make improvement in the continuity and prosperity of the organisation.

"Learning is any relatively permanent change in behaviour that occurs as a result of experience" – **Stephen P. Robbins**

"Learning can be defined as relatively permanent change in behaviour potentiality that results from reinforced practice or experience" – **Steers and Porter.**

"Learning is the process by which a person constructs knowledge, skills and capabilities" – **Martyn Sloman.**

"Learning is a relatively enduring change in behaviour bought about as a consequence of behaviour". – **Stanford.**

"Learning is a relatively permanent change in behaviour that occurs as a result of prior experience" – **E.R. Hilgard**

3.3 PROCESS OF LEARNING:

The process of learning involves various phases and they are as follows:

Phase I : Attention: Where attention is absent, learning ceases to exist. Attention is mandatory for bringing information into the active memory and keeping it alive. So, at the first place, learning process helps the learner to target his attention on the actions of learning. However, this should not be limited to the first phase only, as attention must be sustains throughout the entire process of learning.

Phase II : Expectancy: In this phase, due to the planned process of learning the learner looks forward for something good to happen. This results in origination of various inspirational ideas to devote oneself to the consequential phases of the learning.

Phase III : Retrieval of Relevant Information to Working Memory: Through this phase, the learner fetches the structures from the long – term memory, which is quite essential for gaining new information or finding solutions to problems faced.

Phase IV: Selective Perception: In this phase, the learner usually targets his attention on the main instructions that are highlighted in the presentation. It is impossible for the teachers to analyse the attention of students by mere inspection, which ultimately results in the learner's inability to learn due to their incorrect attention. Selective perception

fails either due to the inadequacy on the part of presentation to draw attentionor, the leaner fails to apply attention or, due to both of these factors.

Phase V: Encoding – Entry of information into Long term Storage: In this phase, the learner usually conceals the facts on which he or she applied attention beforehand, i.e., there is transfer of facts in the lasting memory where the individual establishes the association with the already stored facts.

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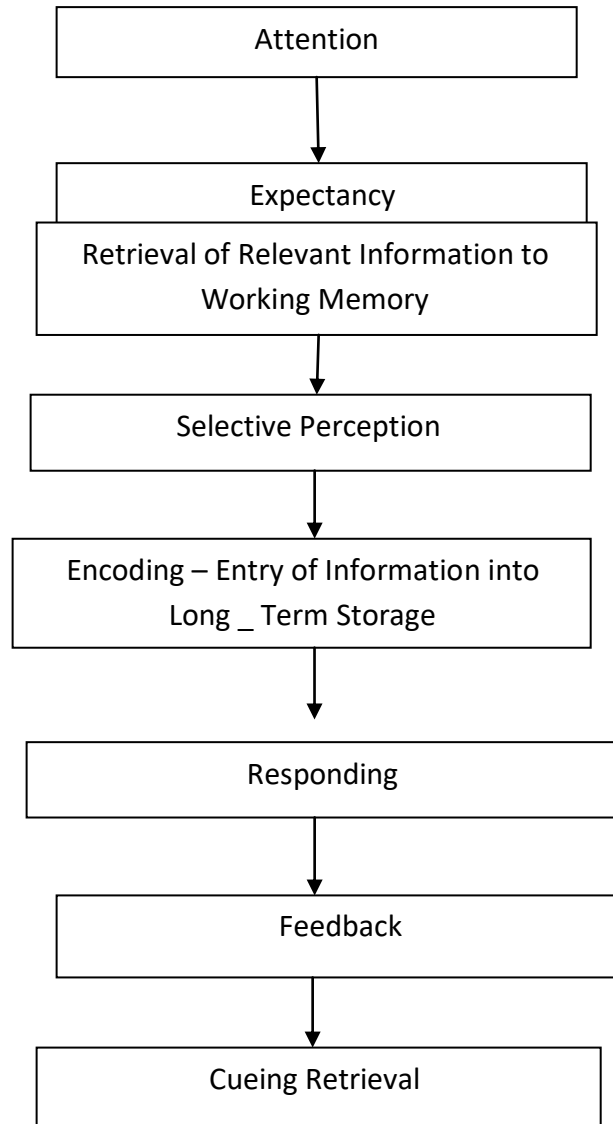
Fig 3.1. Process of learning

Phase VI : Responding : In this phase, the learner recollects the facts that have been accumulated in the lasting memory and keenly applies them in his tasks. Learner's proper execution of work shows that his learning process is correct.

Phase VII: Feedback: In this phase, the learner primarily figures out the extent of work satisfaction through the attainment of Knowledge during the previous phase. When the outcome of the feedback indicates positivity of the performance, it serves as an encouragement to the learner. When this feedback points out the flaws in the learner's performance, he again returns to the earlier phase of learning to rectify them for future actions.

Phase VIII: Cueing Retrieval: In this phase, the learner usually recalls or applies the facts which he has learnt in the initial stages. Then, he focuses on the preservation of the facts or simply application of Knowledge.

3.4 THEORIES OF LEARNING

The Theories of Learning are as follows:
- Classical conditioning
- Operant conditioning
- Cognitive Theory
- Social learning

1. Classical Conditioning: Classical conditioning grew out of experiments to teach dogs to salivate in response to the ringing of a bell, conducted at the turn of the century by a Russian physiologist, Ivan Pavlov. A simple surgical procedure allowed Pavlov to measure accurately the amount of saliva secreted by a dog. When Pavlov presented the dog with a piece of meat, the dog exhibited a noticeable increase in salivation. When Pavlov withheld the presentation of meat and merely rang a bell, the dog had no salivation. Then Pavlov proceeded to link the meat and the ringing of the bell. After repeatedly hearing the bell before getting the food, the dog began to salivate as soon as the bell rang. After a while, the dog would salivate merely at the sound of the bell, even if no food was offered. The dog had learned to respond-that is, to salivate-to the bell.

The meat was an unconditioned stimulus. It invariably caused the dog to react in a specific way. The reaction that took place whenever the unconditioned stimulus occurred was called the unconditioned response. The bell was an artificial stimulus, or what we call the conditioned stimulus. While it was originally neutral, after the bell was paired with the meat (an unconditioned stimulus), it eventually

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produced a response when presented alone. The last key concept is the conditioned response. This describes the behaviour of the dog salivating in reaction to the bell alone. Classical conditioning is passive. Something happens and we react in a specific way. It is elicited in response to a specific, identifiable event. It can explain simple reflexive behaviours. But most behaviour particularly the complex behaviour of individuals in organisation is emitted rather than elicited. It is voluntary rather than reflexive.

2) Operant conditioning: The tendency to repeat such behaviour is influenced by the reinforcement or lack of reinforcement brought about by the consequences of the behaviour. Reinforcement strengthens behaviour and increases the likelihood that it will be repeated. He argued that creating pleasant consequences to follow specific form of behaviour would increase the frequency of that behaviour. The consequences of behaviour are used to influence, or shape behaviour through three strategies: reinforcement, punishment and extinction. Operant conditioning is the process of modifying behaviour behaviour through the use of positive or negative consequences following specific behaviour.

3.Cognitive Theory: There are some psychologists who believe that neither classical conditioning nor operant conditioning learning theories view that most problem solving situations are hard to explain. It is cognitive theory that explains such situations.

Cognition refers to an individual's thoughts, knowledge, interpretations, understanding or views about oneself, and the environment. Cognitive argues that the person tries to form cognitive structure in memory, which preserves and organizes all information relating to the events that may occur in learning situation.

4. Social Learning: Individuals can also learn by observing what happens to other people and just by being told about something, as well as by direct experiences. So, for example, much of what we have learned comes from watching models-parents, teachers, peers, motion pictures and television performers, bosses, and so on. These view that learning through both observation and direct experiment has been called social-learning theory.

While social-learning theory is an extension of operant conditioning-that is, it assumes that behaviour is a function of consequences. It also acknowledges the existence of observational

learning and the importance of perception in learning. People respond to how they perceive and define consequences, not to the objective consequences themselves.

3.5 MEANING OF ATTITUDE

Attitude is a process by which the individuals learn as a result of experience to orient themselves towards objects and goals. Attitude is a detailed direction of human behaviour. Physical environment and cultural, are responsible for the formation of common attitudes. A person can have thousands of attitudes, but organizational behaviour focuses on very limited number of job related attitudes. A person with a high level of job satisfaction holds positive attitudes towards the job, while a person who is dissatisfied with his or her job hold negative attitudes towards the job. Negative attitudes are likely to cause deteriorating conditions in an organisation. When attitudes decline, they may result in work slowdowns, low performance, poor product quality and high employee turnover etc. Attitudes are the feelings of an employee about his job, superiors and fellow – workers.

Attitudes are an individual's responses towards objects, people, or social issues. It is a person's view of the world and is a tendency to act in a particular way towards a person, event, idea or object. An attitude is an organized set of feelings and beliefs which influences an individual's behaviour. Successes and failures in life of an individual depend on his attitude. Those with positive attitude enjoy greater success in life when compared to those with negative attitude. An attitude is a cognitive element and will always remain inside a person. When an employee says that he is inspired by his manager, he is expressing his attitude of the effectiveness of leadership. It is important to know employee attitude because it influences their perception of pay, working hours, work environment, growth opportunities etc. Employee attitude towards the above factors determine their dislike orenthusisam towards their work and organisation. Attitudes are understood as the beliefs, feelings and action tendencies of an individual or group of individual towards objects, ideas and people.

Definition of Attitudes: The important definitions of attitude are given below:
"Attitude is the persistent tendency to feel and behave in a favourable or unfavourable way towards some object, person, or ideas" – **Reitz.**

"Attitudes are evaluation statements either favourable or unfavourable or unfavourable concerning objects, people or events. They reflect how one feels about something" – **Robbins.**

"An attitude is a mental state of readiness, learned and organized through experience, exerting a specific influence on person's response to people, object and situations with which it is related".

"Attitudes are learned predispositions towards aspects of our environment. They may be positively or negatively directed towards certain people, service or Institution".

3.6 SIGNIFICANCE OF ATTITUDE

Attitude plays an important role in organsiation due to the following reasons:

1. Determines meaning of Environment: Attitude helps an individual in judging the environmental circumstances by creating either a favourable behaviour or non-favourable behaviour towards it. An individual having a positive attitude towards other person will always appreciate the good work done by him. Whereas, an individual having a negative attitude towards the other person will always oppose his point of view and will never acknowledge him.

2. Rationalises the action: Different people have different opinions based on their particular attitude. Sometimes attitudes help in resolving the contradictions created due to different opinions. People with appropriate attitude can easily understand and interpret these differences. for example, if a supervisor of a company observes that a worker is sleeping during the working hours, his positive attitude will make him understand that the worker is relaxing for some time as he is tired. On the other hand, worker having a negative attitude thinks negatively, i.e., he feels that the supervisor is monitoring him only.

3. Organises Facts: attitudes help in organizing relevant facts. variety of opinions received by different people give idea about the goal to be achieved. For example, in organizations, union leaders influence the worker's attitude by providing them with certain facts that are later organized and utilized for their personal benefit.

4. Facilitates selection of facts: positive people always focus on the positivity of others. Attitude help in selection of positive facts which lead to maintenance of cordial working environment. Managers

focusing on the positive activities and behaviour of its employee remain happier than those who observe only negative behaviour of their employees.

3.7 Sources of Attitude:

The sources of a person's attitude are a mixture of the following

(a) Personal Experiences: People form attitudes by coming in direct contact with an object. By the time, a person goes for work in a specified organisation, he holds many attitudes towards the type of job of that is acceptable to him, the expected pay, working conditions and supervision.

(b) Association: People are highly influenced by the major groups or associations to which they belong, geographic region, religion, educational background, race, sex, age and income-class-all strongly influence attitudes. The nearer the group the stronger is the group influence on the attitudes of the individual.

(c) Family: Family is the primary group that an individual belongs to family exerts high influence on the initial core of attitudes held by an individual. Individuals develop certain attitudes from family members-parents, brother, sister, etc. The family characteristics influence the individual's early attitude patterns.

(d) Peer Groups: As people approach their adulthood, they increasingly rely on their peer groups for approval / attitude. How others judge an individual largely determine his self-image and approval-seeking behaviour.

(e) Models: Some of the attitudes are developed through imitation of models. The process is something like this; in a particular situation, we see how another person behaves. We correctly or incorrectly interpret his behaviour as representing certain attitudes and beliefs.

(f) Institutional Factors: Many institutional factors function as sources and support our attitudes and beliefs. For example, consider the description of a certain temple Aarati. When the people come into this temple, they bow to pray, sit with heads bowed. Their clothes are clean and freshly washed. When the Pujari signals and is with Aarati all start singing Bhajan and clap. The entire process is devoted to a ritual. From this we can get an idea as to the general character of the religious attitudes and beliefs.

3.8 DEFINITION AND COMPONENTS OF PERCEPTION:

Perception is understood as the act of seeing what is to be seen. But what is to be seen is influenced by the three elements namely individual, the object and the situation. Perception is the intellectual process through which a person selects the date from the environment, Organizes it, and obtain meaning from it. It is basic psychological process. The manner in which a person perceives the environment affects his behaviour. Through people's actions, emotions, thoughts or feelings are triggered by the perception of their surroundings.

We are also constantly bombarded with various stimuli. Then, what we do in practice is while we receive some objects we reject others. Further, we look at the same thing, yet perceive it differently. For example, looking at a painting, Some may perceive it as beautiful, the other as ugly. Then, the question arises is why the same object is perceived and understood differently by different people. The answer is perception, which is cognitive factor of human behaviour. You see and experience many things in your daily life. They may be true or may not be true. All that glitters is not gold. Educated youth prefer to white collar job as it carries less work and more pay. But really it is not so. An MBA student studying through distance education may be recruited by an MNC. This is purely due to his personality. Therefore, these examples explain you that what is seen, heard or experienced, not be real. Perception is more than that.

Whereas social perception is concerned with how one individual perceives other individuals, impression management (sometimes called "self-presentation") is the process by which people attempt to manage or control the perceptions others form of them. There is often a tendency for people to try to present them in such a way as to impress others in a socially desirable way. Thus, impression management has considerable implications for areas such as the validity of performance appraisals (Iis the evaluator being manipulated into giving a positive rating?) and a pragmatic, political tool for one to climb the ladder of success in organisations.

Definition of Perception: Perception is what and how we understand the other. We can understand the meaning of perception from the following definitions:

"A process by which individuals organize and interpret their sensory impressions in order to give meaning to their environment" – **Stephen P. Robbins.**

"Perception is an important meditative cognitive process through which persons make interpretations of the stimuli's or situation they are faced with" – **Fred Luthans**

"Perception is the experience of objects, event or relationships obtained by extracting information from and interpreting sensations". – **D.B. Howieson & J.H. Jackson.**

"Perception can be defined as the process of receiving, selecting, organizing, interpreting and reacting to sensory stimuli". – **Udai Pareek.**

COMPONENTS OF PERCEPTION: The components of perception are as follows:

a) Stimuli : The receipt of information is the stimulus, which results in sensation. Knowledge and behaviour depend on senses and their

Stimuli	**Performance**	**Recognition**	**Translation**

1) Overt Environment
  i. Physical
  ii. Socio-cultural
  iii. Work relation
2) Covert or Internal Environment
	Sensory and Neural Mechanisms	Mediators and Physical Organisms	Mediators And Physical Organisms

Satisfaction	**Performance**	**Behaviour**
Expectation and Performance Evaluation	Action Satisfaction Reaction Retrospection	Overt Physical Action Covert

Fig.3.2. Components of Perception

stimulation. The physical senses used by people are vision, hearing, touch, smell and taste. These senses are influenced by a larger number of stimuli, which may be action, information, consideration and feelings, etc. The stimuli may be in the form of objects or physical commodities.

b)Attention: Stimuli are selectively attended to by people. Some of the stimuli are reacted to while others are ignored without being paid any attention. The stimuli that are paid attention depend purely on the people's selection capacity and the intensity of stimuli. Educated employees pay more attention to any stimuli, viz. announcement of bonus, appeal for increasing productivity, training and motivation.

c) Recognition: The recognition process is dependent on mental acceptance. For example, if a car driver suddenly sees a child in front of his running car, he stops the car. He recognises the stimuli, i.e the life of the child is in danger. His mental process recognises the danger after paying attention to the stimuli. If the does not pay attention to the stimuli, he recognises the danger. After recognising the stimuli, he translates the message into behaviour.

d) Translation: The stimuli are evaluated before being converted into action or behaviour. The evaluation process is translation. In the above example, the car driver after recognising the stimuli uses the clutch and brake to stop the car. He has immediately translated the stimulus into an appropriate action. The perception process is purely mental before it is converted into action.

e) Behaviour : Behaviour is the outcome of the cognitive process. It is a response to change in sensory inputs, i.e. stimuli. It is an overt and covert response. Perceptual behaviour is not influenced by reality, but is a result of the perception process of the individual, his learning and personality, environmental factors and other internal and external factors at the workplace.

f) Performance: Proper behaviour leads to higher performance. High performers become a source of stimuli and motivation to other employees. A performance-reward relationship is established to motivate people.

g) Satisfaction: High performance gives more satisfaction. The level of satisfaction is calculated with the difference in performance and expectation.

3.9 FACTORS DETERMINING PERCEPTION

Different people looking at the same thing might perceive it in different ways. There are certain factors that influence an individual's perception. Perception is influenced by various factors like

A) Internal factors (Characteristics of the Perceiver): Internal factors influencing perception are as follows:

(i) Needs and Motives: A person need is influenced by his perception. Need is the feeling of uneasiness when a person desires something or he knows something is missing in his life. People experience stimuli differently as per their needs. People having diverse needs choose diverse objects for responding or remerbering things.

(ii) Self – concept: A person's point of view about his surroundings is influenced by his views about himself. His self-concept shapes the way he perceives things.

(iii) Beliefs: A person's ideologies and beliefs have a strong impact on his perception of things. Thus, he views an object or event not as how it is but as how he believes it to be.

(iv) Past Experience: Past experiences, whether good or bad influence the way a person observes a present situation. If a person is hurt or betrayed by a close friend in the past, he tends to take time in trusting any new relationship.

(v) Current Psychological State: A person's present mental state has a profound impact on how he sees the world. During stress, person would perceive the same situation in a different manner than when he was happy.

(vi) Expectations: Expectations play an important role in a person's perception. For example, a technical manager does not expect technical information from his non-technical staff.

B) External Factors (characteristics of the Target or Perceived): External factors influencing perception are as follows:

(i) Size: The size of the perceived stimulus plays a very vital role in attracting the perceiver towards it. The bigger the size of the stimulus, the higher the chances that it would attract the attention of the perceiver towards itself. Bigger objects dominate the view and hence, are more capable of attaining perceptual selection.

(ii) Intensity: The degree of intensity is also crucial in perceptual selections, i.e., the higher the intensity, higher are the chances of

perceptual selection. For example, a message will be more noticed if it is highlighted, underlined and boldly displayed.

(iii) Frequency: Repetition enhances the sensory alertness of a person. It means that if an external stimulus is repeated several times it gets more attention than if displayed only once. Hence, stimulus having a higher frequency of repetition has greater chances of getting selected for attention.

Characteristics of the Perceiver	**Characteristics of situation**
• Needs and Motives • Self-Concept • Beliefs • Past Experience • Current psychological State • Expectations	**Perception**
	Characteristics of the Target or Perceived • Size • Intensity • Frequency • Status • contrast
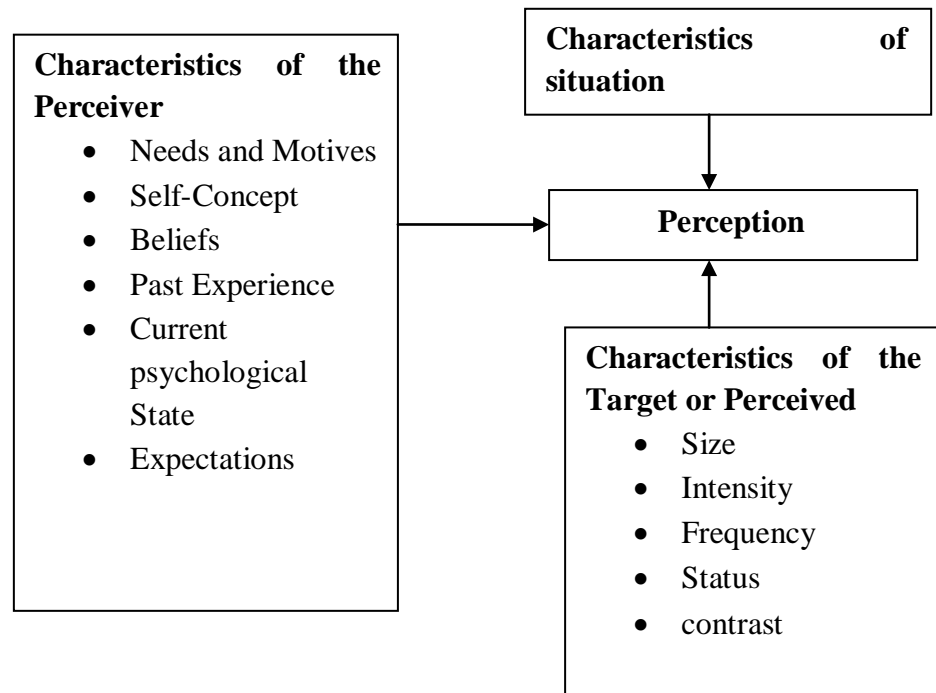
Fig.3.3. Factors influencing Perception

(iv) Status: The status of the perceiver also influences the perception. Employees get more influenced by high status people as compared to low status people.

(v) Contrast: Stimuli that mix with the environment is not as attractive as those which contrast with their surrounding environment. Factor different from the rest of the surroundings, causes a contrasting effect. This principle states that an external stimulus which stands apart from the crowd gets more attention.

C. Characteristics of Situation: The situation also influences perception to a great extent. For example, the time of viewing an

object, the location, light, sound, heat or cold or any kind of situational factor affects a person's perception.

3.10 PROCESS OF PERCEPTION:

The process of perception comprises of numerous sub-processes. The phases in the perceptual process include selectivity/selection, organisation and interpretation as follows:

1) Perceptual Selectivity: Every day we meet with numerous stimuli out of which we select only a few. Perceptual selectivity is the selection of certain stimuli from the environment and rejecting the others. This selection choice depicts our values, beliefs and needs.If an individual is not skilled for perceptual selectivity, then he will be incompetent in processing the information as well. Two related processes which help in enhancing selectivity are as follows:

(i) Sensory Activation: Sensory activation states that there are only certain types of stimuli which activate our senses while others which are not loud, bright or strong, might go unnoticed.

(ii) Sensory Adaptation: Sensory adaptation means people tend to adapt themselves to the environment with which they are in regular contact. For example, a person forgets the sound of a radio or television while doing routine activities.

Hence, the above two processes prevent certain stimuli from entering our perceptual systems. Stimuli which are left behind compete to gain focus. Certain internal as well as external factors play an important role in stimuli selection.

2) Perceptual Organisation: Once the stimulus is received, a number of activities occur in the perceptual process. Perceptual organisation relies on these activities. A person generally does not observe the amount of light, sound or colour inked to any event but he certainly observes an organised pattern, stimuli or object attached to it. The following factors affect perceptual organisation:

(i)Figure and Ground: The most essential type of perceptual organisation is the figure –ground principle. It states that when a person perceives any object (thing of person), it occupies a separate space in the psychology of the individual.

(ii) Perceptual Grouping: By grouping, the individual stimuli can be divided into significant samples. Factors affecting perceptual grouping are as follows:

a) Similarity: This principle states that objects which look similar are perceived to be a part of the same group, For example, workers, who

wore the same uniform, might have different personalities; still they are perceived as the same.

b) Proximity: This principle states that stimuli located near each other are perceived as a collective pattern. For example, at workplace employees belonging to a department are usually perceived as a team due to their closeness.

c) Closure: People have the tendency to perceive objects as a whole even when a part of them is missing as their perceptual process ignores the gaps created by sensory inputs. For example, while working on a project, the manager perceives that the entire team has agreed to it completely while, in fact, a few workers might have disagreed with it.

d) Continuity: Continuity and closure are nearly similar but has a minute difference. Closure provides the missing stimuli, while continuity principle states that a person may tend to observe consistent arrangement of lines rather than perceiving it as an individual entity. Continuity might result into monotonous thinking.

e) Common Fate: This principle states that object that moves or works in a same way are treated as a unit. For example, a flock of birds, a herd of cattle, etc.,

(iii) Perceptual Constancy: Perceptual constancy is more complicated than perceptual organisation. The world is a very complex and an ever changing place and constancy gives the individual a sense of stability. World would become an unorganised and hectic place in absence of constancy.
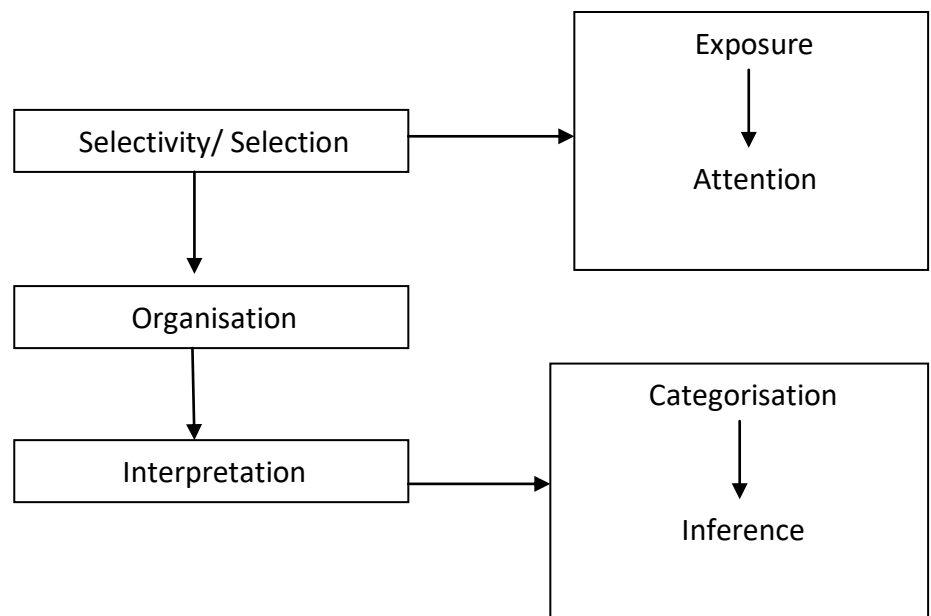
Fig.3.4. Process of Perception

(iv) Perceptual Context: Perceptual context is the most complicated form of perceptual organisation. A simple stimuli, object, situation, or person derives meaning from perceptual context. The context in which managers and workers observe various elements is provided by organisational culture and organisational structure.

(v) Perceptual Defence: Perceptual context and perceptual defence are closely related to each other. People can be defensive towards stimuli or towards dangerous situation. Perceptual defence is very essential in analysing relationships between union-management and supervisor-subordinate. It is confirmed by many studies. These studies conclude that people must try to ignore incompatible, dangerous and improper situations.

3) Perceptual Interpretation: Selection and organisation of data is followed by its interpretation. Perception is believed to occur only after the data is interpreted because it gives meaning to the received and interpreted data. Every individual interprets stimuli in his own manner which is usually influenced by his past experiences.

Stimuli are usually vague and hence can be interpreted in a manner which fulfils every individual's personal needs, intentions and interests. The gap between a person's interpretation and reality depends on how clear the stimulus is in the perceiver's prior experiences and his thought process.

3.11 PRINCIPLES OF PERCEPTION:

Perception has various principles also. There are several kinds of primitive perceptual organisations, which include grouping, closure, figure-ground effect and constancy phenomenon. They are as follows:

1. Perceptual grouping: The grouping principle of perceptual organisation states that there is a tendency to group several stimuli together into a recognizable pattern. The principle is very basic and seems largely inborn.

2. Closure: The closure principle of grouping is closely related to the gestalt school of psychology. The principle is that a person will sometimes perceive a whole when one does not exist. The person's perceptual processes will close the gaps that are unfilled from the sensory inputs.

3. Figure-ground: The objects are perceived with reference to their background. The figure-ground principle means simply that perceived

objects stand out as separable from their general background. When the reader is reading this paragraph, in terms of light-wave stimuli, the reader perceives patches of irregularly shaped blacks and whites. Yet the reader perceives the shapes as letters and figures printed against the white background. In other words the reader perceptually organizes these stimuli into recognizable patterns i.e. the words.

4 .Perceptual constancy: Constancy is one of the more sophisticated forms of perceptual organisation. It gives a person a sense of stability in a changing world. This principle permits the individual to have some constancy in a tremendously variable world.

3.12 DEFINITION AND CHARACTERISTICS OF MOTIVATION:

Motivation is one of the important factors which affect human behaviour. Motivation is not directly observable (it is internal to each employee), it is personal (what is arousing differs and how behaviour is directed is often different), however the process is common and it is goal directed. It is an important factor which encourages employees to give their best performance and help in attaining enterprise goals.

Motivation is the driving force which help causes us to achieve goals. Motivation is said to be intrinsic or extrinsic. Intrinsic motivation refers to motivation that is driven by an interest or enjoyment in the task itself, and exists within the individual rather than relying on any external pressure. Extrinsic motivation comes from outside of the individual. Common extrinsic motivations are rewards like money and grades, coercion and threat of punishment. Motivation means inspiring the personnel with enthusiasm to do work for the accomplishment of objectives in the organisation. It is the important function of a manager.

Motivation is derived from the word 'motive' which means idea, need, emotion or organism state which promotes a man to an action. So to motivate a person needs, emotions etc of person should be studied.

Motivation – Definition:

"The processes that account for an individual's intensity, direction, and persistence of effort toward achieving a goal"

"Motivation is the desire within an individual that stimulates him or her to action." **- George R. Terry**

"Motivation is the way in which urges, drives, desires, aspirations, strivings or needs direct, control or explain the behaviour of human beings." **- D.E. McFarland**

"Motivation is a willingness to expand energy to achieve a goal or reward. It is a force that activates dormant energies and sets in motion the action of the people. It is the function that kindles a burning passion for action among the human beings of an organisation."
- C.B. Mamoria

"Motivation is a general inspirational process which gets the members of the team to pull their weight effectively, to give their loyalty to the group, to carry out properly the tasks they accepted and generally to play an effective part in the job that the group has undertaken."
– Brech.

"Motivation is the process of attempting to influence others to do their work through the possibility of gain or reward" **- Edwin B. Flippo**

CHARACTERISTICS OF MOTIVATION: The characteristics of motivation are

1) **Motivation is internal to person:** Motivation is an internal feeling. It is psychologically generated behaviour, which forces a person to action.

2) **Motivation is an ongoing process:** Motivation is a continuous activity. It goes on endlessly because needs and desires are many. One need may give rise to the other; they are numerous and motivate persons for their satisfaction.

3) **Motivation varies from person to person and time to time:** Motivation is different for different persons and it also varied according to time and place because wants are different for different people, according to time and places. Moreover, motivation is a psychological phenomenon and it is difficult to make clear assessment as to what exactly is the cause of motivation.

4) **Motivation may be positive or negative:** Positive motivation is based on incentives or reward. Edwin B. Flippo points out that, "positive motivation is a process of attempting to influence others to do your will through the possibility of gain or reward. "This incentive may be in the form of monetary or non-monetary benefit. People can be

motivated by praising them or giving them respect or by giving them authority and recognizing their contribution and seeking participation from them. Competition is another factor, which will motivate them to work more than their fellow employees to show their superiority.

Negative motivation is based on penalties, calling for explanation, threats, fear, etc. Fear of losing the job or promotion; pay deduction make employees work. These reasons push them towards the work. Negative motivation, if used frequently, may create disloyalty and noncooperation, which may in turn result in low performance. A person is also motivated if he is given fringe benefits, medical facilities, facilities for education of employees' children, housing accommodation, holidays and vacation, retirement benefits, etc. Training and development is also a cause of motivation.

3.13 PROCESS OF MOTIVATION:

An unsatisfied need, drive, desire, or motive initiates motivation. An unsatisfied need, drive, desire, or motive cause tension (physical, psychological, or sociological) within the individual, leading him to engage in some kind of behaviour (to seek a means) to satisfy the need and thereby reduce the tension.

This activity is directed toward a goal; achievement of the goal satisfies the need. For example, when a person needs water, he is driven by thirst, and is motivated by a desire for water (in order to satisfy the need). Depending on how well the goal is accomplished, the inner state is modified as shown by the feedback loop.

Thus motivation begins with an unsatisfied inner state condition and ends with movement to release that unsatisfied condition, with goal directed behaviour as a part of the process. The underlying concept of motivation is that some driving force within an individual makes to achieve some goal in order to satisfy some need or expectation. This concept gives rise to the basic motivational process as given above. People's behaviour is determined by what motivates them. Their performance is a product of both ability level and motivation.

Performance = function (ability X motivation)

Therefore, if the manager is to improve the work of the organisation, attention must be paid to the level of motivation of its members. The manager must also encourage staff to direct their efforts

(their driving force) towards the successful attainment of the goals and objectives of the organisation. The process of motivation are as follows:

1. **Unsatisfied needs and motives:** It is the first process of motivation. This stage involves unsatisfied needs and motives. Such unsatisfied needs can be activated by internal stimulus such as hunger and thirst. They can also be activated by external stimulus such as advertisement and window display.

2. **Tension:** this stage involves tension. Unsatisfied needs create tension in the individual. Such tension can be physical, psychological, and sociological. In this situation, people try to develop objects that will satisfy their needs.
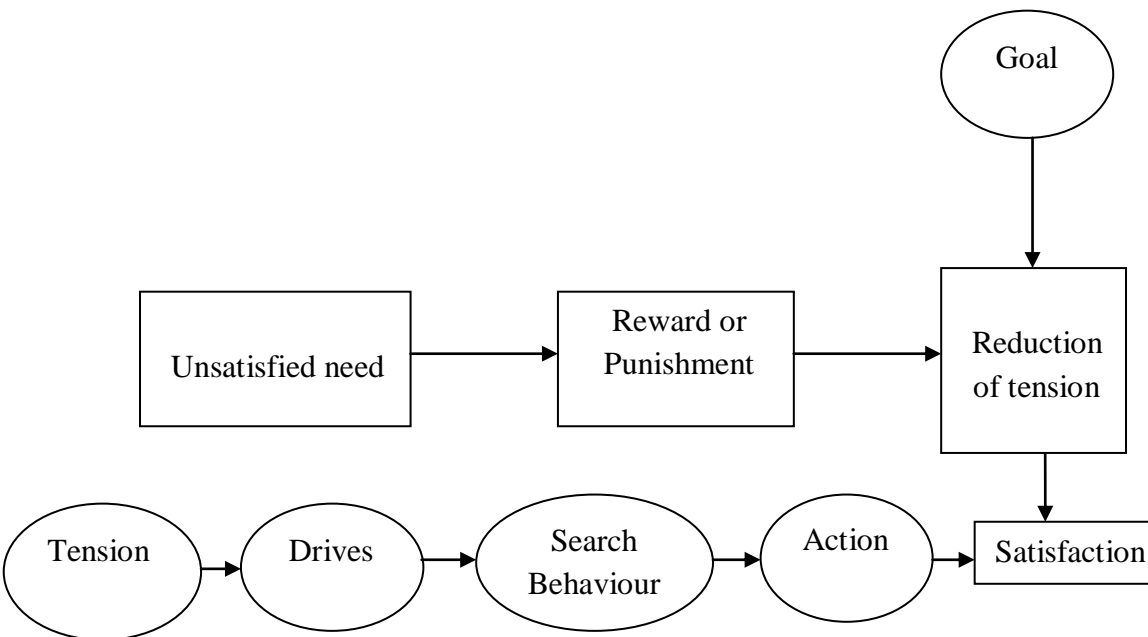
Fig.3.5. Model of Motivation

3. **Action to satisfy needs and motives:** this stage involves action of people to satisfy needs and motives. Such tension creates strong internal stimulus that calls for action. Individual engages in action to satisfy needs and motives for tension reduction. For this purpose, alternatives are searches and choice is made, the action can be hard work for earning more money

4. **Goal accomplishment:** this stage involves goal accomplishment. Action to satisfy needs and motives accomplishes goals. It can be

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achieves through reward and punishment. When actions are carried out as per the tensions, then people are rewarded others are punished. Ultimately goals are accomplished.

5. **Feedback:** this is the last stage for motivation. Feedback provides information for revision or improvement or modification of needs as needed. Depending on how well the goal is accomplished their needs and motives are modified. Drastic changes in environment necessitate the revision and modification of needs

3.14 SIGNIFICANCE OF MOTIVATION:

Motivation is an important part of managing process. A team of highly qualified and   motivated employees is necessary for achieving the objectives of an organisation. It is only through motivation process, they contribute maximum for accomplishing objectives. Without motivation, they may not have an urge to maintain or improve their efficiency. Importance of motivation in management may be judged on the basis of the following factors:

(1) Effective use of resources: In business, all physical resources are to be used through human force. Effective and efficient uses of these resources depend on the ability and readiness of the work force. Thus teams of highly motivated employees greatly help in making optimum use of available resources for achieving objectives.

(2) Higher efficiency: Motivation is directly related to the level of efficiency. Highly motivated employees make full use of their energy and other abilities to raise the existing level of efficiency. They produce more as compared to other employees.

(3) Accomplishment of organisational goals: The process of motivation helps in shaping the working behaviour of the employees and making it desirable for achieving objectives. Highly motivated employees would make goal-directed efforts. They are more committed and cooperative for seeking organisational goals.

(4) Reduced labour turnover and absenteeism: Highly motivated employees are the most important and valuable assets of the organisation. They are more loyal and sincere and therefore, they remain punctual and regular in their work and prefer to stay on-the-job for longer period of time. These factors help in reducing absenteeism and labour turnover.

(5) Healthy industrial relations: Motivation is considered as a backbone of good industrial relations. Effectively motivated employees get more satisfaction and carry high morale which make them more disciplined. In such a situation, the possibilities of industrial disputes

and unrest are reduced to the minimum and industrial relations gets improved.

(6) Improved corporate image: Motivation also helps in improving the image of the organisation. If employees are motivated, they produce more, they maintain self-discipline and prove productive. Internal environment in the organisation ultimately gives better impression to the outsiders dealing with an organisation and its image is enhanced.

3.15 THEORIES OF MOTIVATION

Theories of motivation can be categorized broadly under content or need theories, cognitive or process theories. Maslow, Alderfer, McClelland are some of the people who have made significant contribution to the content theories which basically look at the motives or needs in individuals that influence behaviour.

Adams, Vroom, Porter and Lawler made significant contributions to the cognitive theories, which look into the dynamic process of how people assess work situations, and would engage themselves in work. The important theories of motivation are explained here.

(A) ABRAHAM MASLOW'S NEED HIERARCHY THEORY: The most popular and important content theories of motivation are the Maslow's theory. According to Maslow, human needs form a hierarchy, starting at the bottom with the physiological needs ascending to the highest need of self- actualization as shown below. He says when one set of needs are satisfied, they no longer work as motivation as a man seeks to satisfy the next higher level. Maslow has categorise the needs of the human beings as:

1. Physiological needs: - These are the basic necessities of human life- food, water, warmth, shelter, sleep and sexual satisfaction. Maslow's says that until these needs are satisfied to the required level, man does not aim for the satisfaction of the next highest level needs. As for as work organisation is concerned, these needs include basic needs like pay, allowance, incentives and benefits.

2. Security/ Safety needs: - These refer to the need to be free of physical danger or the feeling of loss of food, or job or shelter. When the physiological needs are satisfied, man starts thinking of the way by which he can continue to satisfy these physiological needs. These needs as far as work organisation is concerned include: conformity, security plans, membership in unions, severance pay etc.
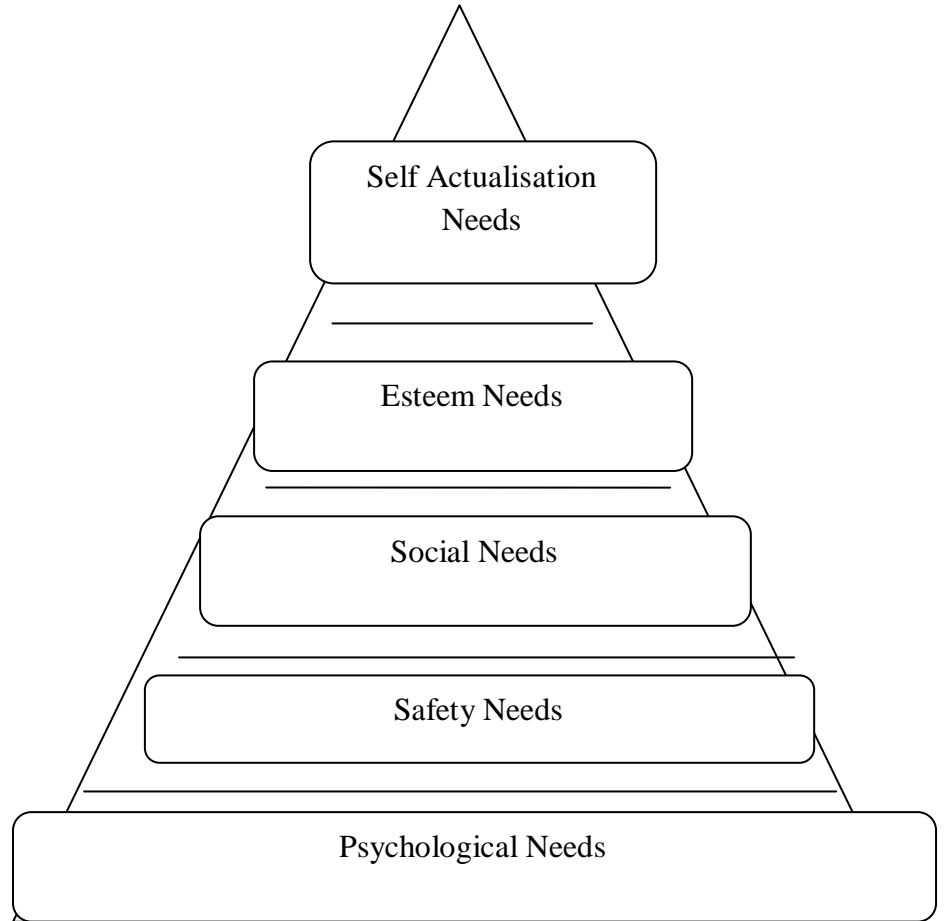
Fig.3.6. Abraham Maslow's need hierarchy Theory

3. Social needs [Affiliation or Acceptance needs]:- When the physiological and security needs are satisfied, these social needs being occupying the mind of a man. This is exactly why he looks for the association of other human beings and strives hard to be accepted by its group. Social needs at work place include: human relations, formal and informal work group.

4. Esteem needs: - These needs are power, prestige, and status and self- confidence. Every man has a feeling of importance and he wants others to regard him highly. These needs make people aim high and make them achieve something great. These needs for employees include: status symbols, awards, promotions, titles etc.

5. Self- Actualization needs: - This is the highest need in hierarchy. This refers to the desire to become what one is capable of becoming.

Man tries to maximize his potential and accomplish something, when this need is activated in him.

Drawbacks and Criticism on Maslow's Theory of Motivation:
Although Maslow's theory of motivation is still referred by practising managers and students, it received severe criticism on its several aspects. To fully learn about Maslow's hierarchy of needs theory, it is equally important to know its drawbacks and criticisms, which are as follows:

- The theory lacked empirical data and statistics – which are essential for any organizational behaviour theory.
- It could not be validated in practice or real life.
- There is nothing that supports the idea of a hierarchy in real life. In other words, these needs do not need to be in the same hierarchical order.
- Different people require different types of motives. All such people cannot be generalized in a single hierarchical model of five common needs.
- According to Maslow, when a need is significantly satisfied, the next need becomes the more dominating motivation factor.
- However, most of these needs simultaneously demand attention. There is no set criterion as to when a need is satisfied. Moreover, even after a need is satisfied, it does not fully cease to be a motivating force.
- Different situations force individuals to change their decisions and their needs, too. The fixed hierarchical model does not accommodate this important fact.

B) HERZBERG'S TWO FACTOR THEORY: In 1959, Frederick Herzberg, a behavioural scientist proposed a two-factor theory or the motivator-hygiene theory. According to Herzberg, there are some job factors that result in satisfaction while there are other job factors that prevent dissatisfaction. According to Herzberg, the opposite of "Satisfaction" is "No satisfaction" and the opposite of "Dissatisfaction" is "No Dissatisfaction".

Herzberg classified these job factors into two categories
A) Hygiene factors: Hygiene factors are those job factors which are essential for existence of motivation at workplace. These do not lead to positive satisfaction for long-term. But if these factors are absent at

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workplace, and then they lead to dissatisfaction. Hygiene factors are those factors which when adequate/reasonable in a job, pacify the employees and do not make them dissatisfied. These factors are extrinsic to work.

Hygiene factors are also called as **dissatisfiers or maintenance factors** as they are required to avoid dissatisfaction. These factors describe the job environment/scenario. The hygiene factors symbolized the physiological needs which the individuals wanted and xpected to be fulfilled. Hygiene factors include:

- **Pay -** The pay or salary structure should be appropriate and reasonable. It must be equal and competitive to those in the same industry in the same domain.
- **Company Policies and administrative policies -** The company policies should not be too rigid. They should be fair and clear. It should include flexible working hours, dress code, breaks, vacation, etc.
- **Fringe benefits -** The employees should be offered health care plans (medi claim), benefits for the family members, employee help programmes, etc.
- **Physical Working conditions -** The working conditions should be safe, clean and hygienic. The work equipments should be updated and well maintained.
- **Status -** The employees' status within the organization should be familiar and retained.
- **Interpersonal relations -** The relationship of the employees with his peers, superiors and subordinates should be appropriate and acceptable. There should be no conflict or humiliation element present.
- **Job Security -** The organization must provide job security to the employees.

b. **Motivational factors:** According to Herzberg, the hygiene factors cannot be regarded as motivators. The motivational factors yield positive satisfaction. These factors are inherent to work. These factors motivate the employees for a superior performance. These factors are called satisfiers. These are factors involved in performing the job. Employees find these factors intrinsically rewarding. The motivators symbolized the psychological needs that were perceived as an additional benefit.

Motivational factors include:

- **Recognition -** The employees should be praised and recognized for their accomplishments by the managers.
- **Sense of achievement -** The employees must have a sense of achievement. This depends on the job. There must be a fruit of some sort in the job.
- **Growth and promotional opportunities -** There must be growth and advancement opportunities in an organization to motivate the employees to perform well.
- **Responsibility -** The employees must hold themselves responsible for the work. The managers should give them ownership of the work. They should minimize control but retain accountability.
- **Meaningfulness of the work -** The work itself should be meaningful, interesting and challenging for the employee to perform and to get motivated.

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┌─────────────────────────────────────┐
│   Herzberg's Two Factor Theory       │
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┌──────────────────┐          ┌──────────────────────┐
│  Hygiene Factors │          │ Motivational Factors │
└──────────────────┘          └──────────────────────┘
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Hygiene Factors	Motivational Factors
Company Policy Technical Supervision Relationship with superiors Relationship with subordinates Relationship with peers Job Security	Opportunities for Advancement Reward and Recognition Appreciation Work itself Achievement Responsibility

Fig.3.7. Herzberg's Two Factor Theory

Limitations of Herzberg Two-Factor Theory: The two factor theory is not free from limitations.

- The two-factor theory overlooks situational variables.

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- Herzberg assumed a correlation between satisfaction and productivity. But the research conducted by Herzberg stressed upon satisfaction and ignored productivity.
- The theory's reliability is uncertain. Analysis has to be made by the raters. The raters may spoil the findings by analyzing same response in different manner.
- No comprehensive measure of satisfaction was used. An employee may find his job

acceptable despite the fact that he may hate/object part of his job.

- The two factor theory is not free from bias as it is based on the natural reaction of

employees when they are enquired the sources of satisfaction and dissatisfaction at work.

- They will blame dissatisfaction on the external factors such as salary structure, company

policies and peer relationship. Also, the employees will give credit to themselves for the

satisfaction factor at work.

- The theory ignores blue-collar workers. Despite these limitations, Herzberg's Two-Factor

theory is acceptable broadly.

C) ALDERFER ERG MOTIVATION THEORY: Clayton P. Alderfer's **ERG theory** from 1969 condenses Maslow's five human needs into three categories: **Existence**, **Relatedness** and **Growth**.

1. **Existence Needs:** Include all material and physiological desires (e.g., food, water, air, clothing, safety, physical love and affection).
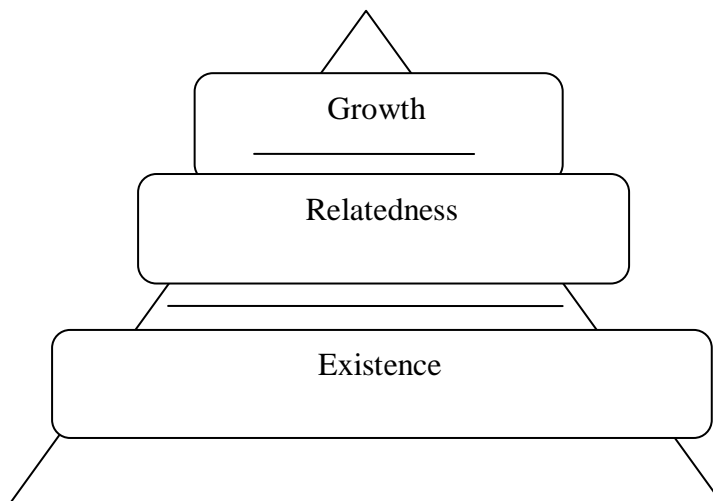
Fig.3.8. ALDERFER ERG Motivation Theory

2. **Relatedness Needs:** Encompass social and external esteem; relationships with significant others like family, friends, co-workers and employers. This also means to be recognized and feel secure as part of a group or family. Maslow's third and fourth levels.

3. **Growth Needs:** Internal esteem and self actualization; these impel a person to make creative or productive effects on himself and the environment (e.g., to progress toward one's ideal self). Maslow's fourth and fifth levels. This includes desires to be creative and productive, and to complete meaningful tasks.

Even though the priority of these needs differ from person to person, Alderfer's ERG theory priorities in terms of the categories' concreteness. Existence needs are the most concrete, and easiest to verify. Relatedness needs are less concrete than existence needs, which depend on a relationship between two or more people. Finally, growth needs are the least concrete in that their specific objectives depend on the uniqueness of each person.

Criticism on Alderfer ERG Motivation Theory: ERG theories seem to take some of the strong points of the earlier content theories but are less restrictive and limiting. The fact remains, however, that the content theories in general lack explanatory power over the complexities of work motivation and, with the possible exception of the implications for job design of Herzberg's work, do not readily translate to the actual practice of Human Resources Management.

(D) DAVID McCLELLAND'S NEEDS THEORY: David **Mclelland** developed a theory of motivation that focused particularly on the need for achievement, power, and affiliation. He contends that individuals acquire certain needs from the culture of a society by learning from the events that they experience, particularly in early life.

1. Need for Achievements: - Mclelland's defined need for achievement as "behaviour toward competition with a standard of excellence". He and his associates defined four characteristics of individuals with a high need for achievement

- A strong desire to assume personal responsibility for finding solutions to problems or performing a task.
- A tendency to set moderately difficult achievement goals and to take calculated risks.
- A strong desire for concrete performance feedback on tasks, and
- A single-minded preoccupation with task accomplishment.

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2. Need for Power: - The need for power defined as the need to control the environment, to influence the behavior of others, and to be responsible for them.

- A desire to direct and control someone else, and
- A concern for maintaining leader-follower relations.

3. Need for Affiliation:- The need for affiliation defined as an "attraction to another organism in order to feel reassumed from the other that the self is acceptable".

- A strong desire for approval and reassurance from others.
- A tendency to conform to the wishes and norms of others when pressured by people whose leadership they value, and
- A sincere interest in the feelings of others.

(D) VROOM'S VALENCE-EXPECTANCY THEORY: Victor Vroom (1964) presented the Expectancy theory (1964) as an alternative

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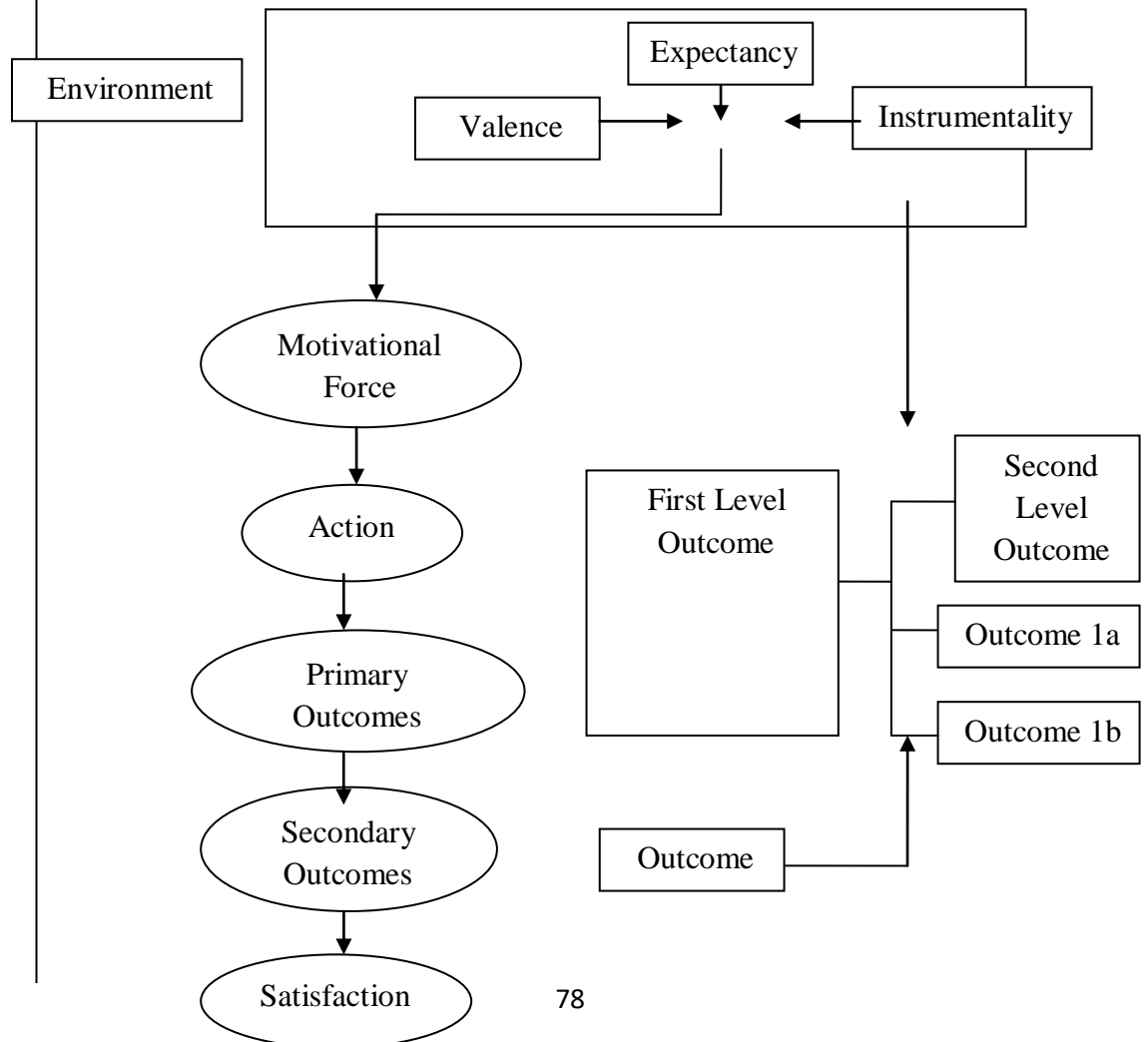
Fig3.9. Vroom's Valence-Expectancy Theory

to the content theories. It provides a comprehensive and useful approach to understanding motivation. The model has been expanded and refined by Porter and Lawler (1968). Vroom proposed his expectancy model as an alternative to the content models. The content model is inadequate to satisfy the complex process of work motivation. Vroom's model is built around the concepts of Valence and Expectancy and is commonly called the VIE theory. Vroom explains that the Motivation force is a product of valence, expectancy and instrumentality.

According to Vroom's theory, motivation is the sum of the product of valence, expectancy and instrumentality.

Motivation = Valence X Expectancy X Instrumentality.

Valence (Reward Preference): Valence refers to the strength of a person's desire for a particular outcome or reward. It is an expression of the value he places on a goal (outcome or reward). The value attached to a goal or reward is subjective as it varies from person to person. For instance, if a young and dynamic employee wants a promotion item this has high valence or strength for that employee. Similarly, a retiring employee may have high valence for reemployment.

People have different valence for various outcomes. The relative valence they attach to various outcomes is influenced by conditions such as age, education and type of work. The valence of a person for a goal may be positive or negative depending upon his positive or negative preference for his goal.

Expectancy (Effort – Reward Probability): People have expectancies about the likelihood that an action or effort on their part will lead to intended performance. Expectancy refers to the perceived relationship between the given level of effort and a given level of performance. If an employee sees no probability of being promoted even after superior performance, his expectancy is zero, i.e. action- outcome relationship indicates uncertainty. At the other extreme, if the action outcome relationship indicates certainty, then expectancy has a value of one. Normally employee is expecting somewhere between these two extremes. If the individual feels that chances or achieving an outcome are zero, he will not even try. On the other hand, if expectancy is

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higher, the individual will put higher effort to achieve the desire outcome.

Instrumentality (Performance – Reward Probability): It refers to the relationship between performance and reward. Instrumentality refers to the degree to which a first level outcome will lead to a desired second level outcome. It provides answers to such questions" will I be promoted, if perform the job well". In this example, instrumentality refers to the person's perception of the relationship between high performance (first level outcome) and promotion (second level outcome).

(E) Theory X and Theory Y: In his 1960 book, The Human Side of Enterprise, Douglas McGregor proposed two theories by which to view employee motivation. He avoided descriptive labels and simply called the theories **Theory X** and **Theory Y**. Both of these theories begin with the premise that management's role is to assemble the factors of production, including people, for the economic benefit of the firm.Beyond this point, the two theories of management diverge.

Theory X: Theory X assumes that the average person:
- Dislikes work and attempts to avoid it.
- Has no ambition, wants no responsibility, and would rather follow than lead.
- Is self- centred and therefore does not care about organizational goals.
- Resists change.
- Is gullible and not particularly intelligent.

Theory X - The Hard Approach and Soft Approach : Under Theory X, management approaches can range from a hard approach to a soft approach. The hard approach relies on coercion, implicit threats, close supervision, and tight controls, essentially an environment of command and control. The soft approach is to be permissive and seek harmony with the hope that in return employees will cooperate when asked to do so.

However, neither of these extremes is optimal. The hard approach results in hostility, purposely low-output, and hard-line union demands. The soft approach results in ever-increasing requests for more rewards in exchange for ever-decreasing work output. The optimal management approach under Theory X probably would be somewhere between these extremes. However, McGregor asserts that neither approach is appropriate because the assumptions of Theory X are not correct. Essentially, Theory X assumes that people work only for money and security.

Problem with Theory X: Under Theory X the firm relies on money and benefits to satisfy employees' lower needs, and once those needs are satisfied the source of motivation is lost. Theory X management styles in fact hinder the satisfaction of higher-level needs. Consequently, the only way that employees can attempt to satisfy their higher level needs in their work is by seeking more compensation, so it is quite predictable that they will focus on monetary rewards. While money may not be the most effective way to self-fulfilment, in a Theory X environment it may be the only way.

Under Theory X, people use work to satisfy their lower needs, and seek to satisfy their higher needs in their leisure time. But it is in satisfying their higher needs that employees can be most productive McGregor makes the point that a command and control environment is not effective because it relies on lower needs as levers of motivation, but in modern society those needs already are satisfied and thus no longer are motivators. In this situation, one would expect employees to dislike their work, avoid responsibility, have no interest in organizational goals, resist change, etc., thus making Theory X a self-fulfilling prophecy. From this reasoning, McGregor proposed an alternative: Theory Y.

Theory Y: The higher-level needs of esteem and self-actualization are continuing needs in that they are never completely satisfied. As such, it is these higher-level needs through which employees can best be motivated.

Theory Y makes the following general assumptions:
- Work can be as natural as play and rest.
- People will be self-directed to meet their work objectives if they are committed to them.
- People will be committed to their objectives if rewards are in place that address higher
  needs such as self-fulfilment.
- Under these conditions, people will seek responsibility.
- Most people can handle responsibility because creativity and ingenuity are common in the population.

Under these assumptions, there is an opportunity to align personal goals with organizational goals by using the employee's own quest for fulfilment as the motivator. McGregor stressed that Theory Y management does not imply a soft approach.

McGregor recognized that some people may not have reached the level of maturity assumed by Theory Y and therefore may need tighter controls that can be relaxed as the employee develops.

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3.16 MEANING AND COMPONENTS OF ABILITY

Abilities refer to an individual's skill and to perform effectively in one or more areas of activity, such as physical, mental or interpersonal work. Individuals with numerical ability for example, can be trained to apply their ability in the field of engineering, accounting and computer science. Abilities develop from an individual's natural aptitudes and subsequent learning opportunities. Aptitudes are relatively enduring capacities for performing some activity effectively. Learning opportunities translate aptitudes into abilities through practice and experience and formal training. Organisations have to ensure that people possess the necessary abilities to engage in the behaviours required for effective performance. This can be accomplished either by careful selection of people or by a combination of selection and training.

Skills are generally thought of as being more task-specific capabilities than abilities. For example, an individual with numerical ability who goes to school to learn accounting develops a numerical skill 'specific to that field'. Thus when a particular ability is applied to a specialised area (for example Accounting), it becomes a skill. Competencies are skills associated with specialisation. Competencies are skills that have been refined by practice and experience and that enable the individual to specialise in some field. For example, an accountant with numerical ability and accounting skill takes a position in the Taxation Department and as time passes, he develops more competency as a tax expert.

Physical abilities such as strength, flexibility, endurance and stamina can be developed with exercise and training. Mental abilities such as reasoning, memory visualisation and comprehension and inter-personal abilities can also be developed through practice and education. Even in the absence of such formal programmes, many individuals manage their own careers in such a way as to continually upgrade their abilities, skills and competencies in order to remain valuable to their organisations.

COMPONENTS OF ABILITY: Ability is individuals' capacity to perform various tasks in a job. We are not created equals. It does not mean we are inherently inferiors to others. Everyone has strengths and weaknesses in ability. What is important is to identify level of ability or skills and put it to optimum utilization to improve performance. Ability is made up of two sets of skills:

(A) Intellectual skills or Ability and
(B) Physical skills or Ability.

(A) Intellectual ability: It is an ability of a person that is required to do mental activities. Higher IQ is not necessary to perform the job successfully. For any high job a general level of   intelligence is

adequate. Intellectual ability can be further divided into the following skills:

(a) Number Aptitude: A person having number aptitude displays speed, accuracy and arithmetic inclination in the work. Such individuals can be best employed in accounts and sales tax departments.

(b) Verbal Comprehension: It refers to ability to understand what is heard or read. It is relationship of words to each other. People having verbal comprehension can be best employed as plant managers. They would be ideal to draft corporate polices.

(c) Perceptual Speed: It is an ability to identify visual similarities and differences. Such individuals can be gainfully employed for investigative jobs.

(d) Inductive Reasoning: The ability is related to individual's skill to identify logical sequence in a problem and later solve the same. Such individuals can be assigned the job in research and development departments / organizations.

(e) Deductive Reasoning: The ability refers to use of logic and assess the implications of an arguments. People with this skill can ideally foot the bill as supervisors.

(f) Spatial Visualisation: It is an ability to imagine how an object would look if its position in the space were changed. Interior decorators have this skill.

(g) Memory: It is an ability to recall past experience. Sales persons depend upon this ability in performance of their job.

The seven most frequently cited dimensions making up intellectual abilities are number attitude, verbal comprehension, perceptual speed, inductive reasoning, deductive reasoning, and memory. Intellectual abilities have got seven dimensions. Such as:

Table. 3.1.Dimensions of Intellectual Ability

Dimension	Description
Number Aptitude	It is an ability to do speedy and accurate arithmetic.
Comprehension	It is the ability to understand what is read and heard and the relationship of words to each other.
Perceptual Speed	It is a dying ability to identify visual similarities and differences quickly and accurately.
Inductive Reasoning	It is the ability to identify a logical sequence in a problem and then solve the problem.
Deductive Reasoning	It is the ability to see logic and assesses the implication of art argument.

Special Visualization	It is the ability to imagine how an object would look like its position in space was changed.
Memory	It is the ability to retain and recall past experience.

Intellectual ability is the capacity to do mental activities – thinking and reasoning and problem-solving.It commonly refers to the ability measured by performance on an intelligence test. It is also sometimes used in the context of discussing the performance of someone in an academic or real-world setting.

(B) Physical Ability: Physical ability refers to strength factors which includes dynamic strength (muscles force), trunk strength (abdominal muscles), static strength (exertion of force against external object) and explosive strength. Other factors relate to body coordination, balance and stamina. It is the responsibility of the manager to identify physical skills in the individual and assign them suitable jobs commensurate with their ability. High importance of physical skills is given in police, railways, revenue and agriculture fields where various skills are important. In industrial setting, it must be ensured that ability is co-related to the job requirements so that an optimum output is achieved.

Personality development is influenced by several factors, including physiological, cultural, family and group, role, and situational determinants. Physical ability is the capacity to do tasks that demand stamina, desired, strength and similar characteristics. It can identify individuals who are physically able to perform the essentials function of a job without risking injury to others.

Table.3.2. Dimensions of Physical Ability

Factor	Description
Dynamic Strength	Ability to exert muscular force continuously over time.
Trunk Strength	Ability to exert muscular using trunk muscles.
Static Strength	Ability to exert force against external objects.
Explosive Strength	Ability to expand a maximum of energy in one or a series of explosive acts.

Extent Flexibility	Ability to move the trunk and back muscles as far as possible.
Dynamic Flexibility	Ability to make rapid, repeated flexing movements.
Body co-ordination	Ability to coordinate the simultaneous actions of different parts of the body.
Balance	Ability to maintain equilibrium despite forces pulling off balance.
Stamina	Ability to continue maximum effort requiring prolonged efforts over time.

3.17 CHECK YOUR PROGRESS QUESTIONS

1. State the process of learning.
2. What do you mean by Attitude?
3. Define Perception.
4. Point out the principles of Perception.
5. State the process of Motivation.
6. What are the components of ability?

3.18 SUMMARY

- One of the crucial psychological processes is learning, through which human behaviour is determined. It is a never- ending procedure which is everlasting. So, learning can be defined as the summation of behavioural transformations which are the outcome of knowledge attained during the training.

- Learning can be defined as relatively permanent change in behaviour potentiality that results from reinforced practice or experience.

- The process of learning involves various phases and they are attention, expectancy, retrieval of relevant information to working memory, selective perception, encoding – entry of information into long term storage, responding, feedback and cueing retrieval.

- Classical conditioning, Operant conditioning, Cognitive Theory and Social learning are the theories of learning.

- Attitude plays an important role in organsiation due to the following reasons: determines meaning of environment, rationalises the action, organises facts and facilitates selection of facts.

Self-Instructional Material

- Personal experiences, association, family, peer groups and society, models and institutional factors are the sources of a person's attitude.
- Perception is the intellectual process through which a person selects the data from the environment, organises it, and obtain meaning from it. It is basic psychological process. The manner in which a person perceives the environment affects his behaviour. Through people's actions, emotions, thoughts or feelings are triggered by the perception of their surroundings.
- The components of perception are Stimuli, attention, recognition, translation, satisfaction, performance and behaviour.
- Different people looking at the same thing might perceive it in different ways. There are certain factors that influence an individual's perception. Perception is influenced by various factors like internal factors (characteristics of the perceiver), external factors (characteristics of the target or perceived) and characteristics of situation.
- The process of perception comprises of numerous sub-processes. The phases in the perceptual process include selectivity/selection, organisation and interpretation.
- Perception has various principles also. There are several kinds of primitive perceptual organisations, which include grouping, closure, figure-ground effect and constancy phenomenon.
- Motivation is one of the important factors which affect human behaviour. Motivation means inspiring the personnel with enthusiasm to do work for the accomplishment of objectives in the organisation. It is the important function of a manager.
- The characteristics of motivation are motivation is internal to person, motivation is an ongoing process, motivation varies from person to person and time to time and motivation may be positive or negative.
- The underlying concept of motivation is that some driving force within an individual makes to achieve some goal in order to satisfy some need or expectation. The behavior of people is determined by what motivates them. Their performance is a product of both ability level and motivation.
- The process of motivation are unsatisfied needs and motives, tension, action to satisfy needs and motives, goal accomplishment and feedback.

- Importance of motivation in management may be judged on the basis of the following factors and they are effective use of resources, higher efficiency, accomplishment of organisational goals, reduced labour turnover and absenteeism, healthy industrial relations and improved corporate image.
- Theories of motivation can be categorized broadly under content or need theories, cognitive or process theories. Maslow, Alderfer, McClelland are some of the people who have made significant contribution to the content theories which basically look at the motives or needs in individuals that influence behaviour.
- Adams, Vroom, Porter and Lawler made significant contributions to the cognitive theories, which look into the dynamic process of how people assess work situations, and would engage themselves in work.

Ability is individuals' capacity to perform various tasks in a job. We are not created equals. It does not mean we are inherently inferiors to others. Everyone has strengths and weaknesses in ability. What is important is to identify level of ability or skills and put it to optimum utilization to improve performance. Ability is made up of two sets of skills namely Intellectual skills and Physical skills.

3.19 KEY WORDS:

Learning: Learning is an important psychological process that-determines human behavior.

Retrieval: The process of finding and bringing back the storage of information.

Encoding: Encoding is the process of converting data into a format required for a number of information processing needs.

Stimulus: stimuli are the items used to evoke a reaction from participants or respondents in a study. Stimuli may come in a range of formats including audio, visual or physical.

Peer groups: A peer group is both a social group and a primary group of people who have similar interests, age, background, or social status. The members of this group are likely to influence the person's beliefs and behaviour.

Satisfaction: Satisfaction is when a desire or a need is fulfilled. A person feel satisfied by accomplishment, recognition, invention and service.

Motivation: Motivation is one's direction to behaviour, or what causes a person to want to repeat a behaviour, a set of force that acts

behind the motives. An individual's motivation may be inspired by others or it may come from within the individual.

Valence: Negative or positive psychological value assigned by a person to another person, event,goal, job, object, outcome, etc., based on its attractiveness to him or her.

3.20 ANSWERS TO CHECK YOUR PROGRESS

1. The process of learning involves various phases and they are attention, expectancy, retrieval of relevant information to working memory, selective perception, encoding – entry of information into long term storage, responding, feedback and cueing retrieval.

2. Attitudes are an individual's responses towards objects, people, or social issues. It is a person's view of the world and is a tendency to act in a particular way towards a person, event, idea or object.

3. Perception can be defined as the process of receiving, selecting, organizing, interpreting and reacting to sensory stimuli.

4. Perception has various principles also. There are several kinds of primitive perceptual organisations, which include grouping, closure, figure-ground effect and constancy phenomenon.

5. The process of motivation are unsatisfied needs and motives, tension, action to satisfy needs and motives, goal accomplishment and feedback.

6. Ability is individuals' capacity to perform various tasks in a job. Everyone has strengths and weaknesses in ability. What is important is to identify level of ability or skills and put it to optimum utilization to improve performance. Ability is made up of two sets of skills namely (A) Intellectual skills or Ability and (B) Physical skills or Ability.

3.21 QUESTIONS AND EXERCISES

Short Questions:
1. What do you understand by learning?
2. Spell out the sources of attitude.
3. What are the components of Perception?
4. State the characteristics of Motivation.
5. Define ability.

Long Questions:
1. Explain the theories of learning.
2. Narrate the significance of learning.

3. Summarize the significance of attitude.

4. Elaborately explain the determinants of Perception.

5. Enumerate the process of Motivation in detail.

6. Summarize Abraham Maslow's need hierarchy theory and state its assumptions.

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UNIT IV GROUP BEHAVIOUR

Structure

4.0 INTRODUCTION

A group consists of a number of individuals working together for a common objective. Groups have significant influence on an organization and are inseparable from an organization. They are useful for the organization as they form foundation of human resources. The study of group behavior is essential for an organization to achieve its goals. Individual and group behavior varies from each other. In 1920, Elton Mayo and his associates conducted the Hawthorne experiments and came to know that the group behavior has great impact on productivity. The importance of group behavior has been realized from time to time. Human behavior consists of individuals, who move in groups. The knowledge of group behavior as well as individual behavior is necessary for a manager. He must understand group psychology and should also understand individual behavior in the context of group behavior. The group in which he moves influences individual work, job satisfaction and effective performance.

4.1 OBJECTIVES

After reading this unit, you should be able to:
- Define the term group and list its characteristics
- Describe types of groups
- Understand the reasons why people join groups

- Distinguish formal and informal group

4.2 DEFINITION AND CHARACTERISTICS OF GROUP

A work group is collection of two or more individuals, working for a common goal and is interdependent. They interact significantly to achieve a group objective. For a manager it is difficult to manage group because of varied nature, personality traits, attitude of individuals and personal interest in the group job the group members display. It is therefore important for managers to understand group member behaviour and deal effectively with the group because of the synergy they provide. Manager should be able to achieve not only group objective but should be able to fulfill individual objectives within the overall organizational frame work.

A group is 'any number of people who share goals, often communicate with one another over a period of time, and are few enough so that each individual may communicate with all the others, person – to person'. Two or more people interacting to achieve a common objective is also called a group.

Stephen. R. Robbins defined group as "two or more individuals, interacting and interdependent, who have come together to achieve particular objectives".

According to **Edgar H.Schien**, "a group may be defined as a social phenomenon in which two or more persons decide to interact with one another, share common ideology and perceive themselves as a group."

"A group is asset of two or more individuals who are jointly characterised by a network of relevant communications, a shared sense of collective identity and one or more shared dispositions with associated normative strength". – **David H. Smith.**

"A group is two or more persons who are interacting with one another in such a manner that each person influences and is influenced by each other person". **– Marvin Shaw.**

A group is defined as two or more individuals who are connected to one another by social relationships. Groups can be either formal or informal. By formal groups, we mean those defined by the organisation's structure, with designated work assignments, establishing tasks. In formal groups, the behaviours that one should

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engage in are stipulated by and directed towards organisational goals. The three members making up an airline flight crew are an example of a formal group. In contrast, informal groups are alliances that are neither formally structured nor organisationally determined. These groups are natural formations in the work environment that appear in response to the need for social contact.

CHARACTERISTICS OF GROUPS: The important characteristics of groups are as follows:

1. Strong Desire of Association: Human beings have strong desires to associate themselves with certain groups for the feelings of prestige and social distinction: i.e., in a way it is for ego satisfaction. Thus, the groups influence the thoughts and actions of the individuals, while the individuals achieve the sense of prestige and privilege through their formal and informal associations with the groups.

2. Development of Leadership: Development of leadership is another important characteristic of groups. There is probability for every member to develop leadership qualities by virtue of his/her association with the group. However, when the leader is a self-centred despot, or when the leader lacks self-confidence, he would discourage others to develop leadership qualities. In such situations, sooner or later, there is a possibility for split and birth of other identical groups.

3. Awareness among Members: As the group is small, the members are psychologically aware of one another. Strengths, weaknesses, capacities, abilities, accomplishments, talents and needs of each member are known to others in the group. This enables the group to make use of each member according to his/her abilities, and to rise to the occasion to fulfil the aspirations of its members.

4. Properties of Individual: The groups are alive like individual. They are born; they grow, they function, they deteriorate, and even die. The group has an attitude, approach and behaviour to other groups, individuals and to the organisation at large. Thus, groups maintain the properties of individual human beings who are its members.

5. Cohesiveness : Groups mobilse powerful forces which produce effects and impacts. This is mainly because of the cohesive nature of its members. Members of high cohesive groups exhibit less anxiety
a. Feeling jumpy or nervous,
b. Feeling under pressure to achieve higher productivity, and
c. Feeling a lack of support from the company..

Groups are characterised by common norms and values and headed by group leaders. Wherever there are leaders, there are followers also. Group members interact and communicate between each other, and they are psychologically aware of one another. Cohesiveness is, therefore, inherent in groups. It can, however, be remarked that the characteristics of any group largely depend on the objectives for which the group is formed or the way in which the group is developed.

4.3 REASONS FOR GROUP FORMATION:

The reasons for formation of group in an organisation are summarized as follows:

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

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

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

(iv) Job satisfaction. The group's solution to a problem may be different from what management expects and it may even be more efficient. Shortcuts are evolved and informal channels of communication are established to cut across department boundaries. Many jobs which appear superficially dull and routine are made

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interesting by the group and spontaneity is encouraged and protected by the group.

(v) Protection of members. Groups help protect their members from outside pressures. Groups often resist management's demands for additional output, increased working hours, and higher quality. Group members often agree on the level of output that each will put forth so that no member may outperform the others.

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

(vii) Perpetuation of cultural values. Groups are formed by individuals belonging to a common cultural background. Such people can preserve their cultural identify and also feel a sense of security by associating with those pursuing the same cultural values and social norms. Maintenance of cultural values will also provide them psychological satisfaction.

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

4.4 TYPES OF GROUP

There are various types of groups, which may be formed with different goals. Hence, groups can be classified in various ways on the basis of goals, duration, extent of structuring, legal organization, etc. The important types of groups are as follows:

1. Primary and Secondary groups: Primary groups consist of people in a close and face-to – face relationship over a period of time. It is considered as intimate group. Intimate interactions take place in a family, neighbourhood or work group when the inter-relationship are remote and general, such group can be called secondary groups.

2. Coalitions: In addition to primary and secondary groups, coalitions are very relevant to organization. The concept of a coalition has been used in organization analysis through the years. A recent comprehensive review of the coalition literature gives the characteristics of a coalition as follows:-

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- Interacting group of individuals
- Deliberately constructed by the members for a specific purpose
- Independent of the formal organization's structure
- Leading a formal internal structure
- Mutual perception of membership
- Issue-oriented to advance the purpose of the members
- External-forms
- Concerted member action, act as a group

3. Formal and Informal group: Formal groups are the ones, which are formally designed and organized, which have formal organisation and formally set goals and objectives. Groups, which are established under legal and formal authority to achieve a specific end result or to undertake delegated tasks, can be called formal groups.

Informal groups are a common feature of work life. There are many needs and desires of individuals, which cannot be satisfied without their affiliation and association with the respective groups. Infact, informal groups are part and parcel of human life and endeavour.

4. Membership groups and reference groups: Membership groups are those to which the individual actually belongs. Reference group, on the other hand, is the one, which the individual identifies for reference purposes. He may like to belong to the reference group also.

5. Peer- Group: In the work life, peer-group is another effective form of group making. It is a sense of belonging among the workers towards one another, irrespective of their attitudes toward their superiors. On the basis of their membership in a particular work group. High peer-group loyalty is not necessarily associated with high productivity.

6. Command group and Task group: A command group is determined by the organization chart. It is composed of the subordinates who report directly to a given manager. An elementary school principal and her twelve-teachers form a command group.

Task Group, also organizationally determined, represents those working together to complete a job task. However, a task group's boundaries are not limited to its immediate hierarchical superior.

4.5 FUNCTIONS OF GROUP

Groups in an organisation serve two important functions. They are (a) Task Functions and (b) Maintenance Functions.
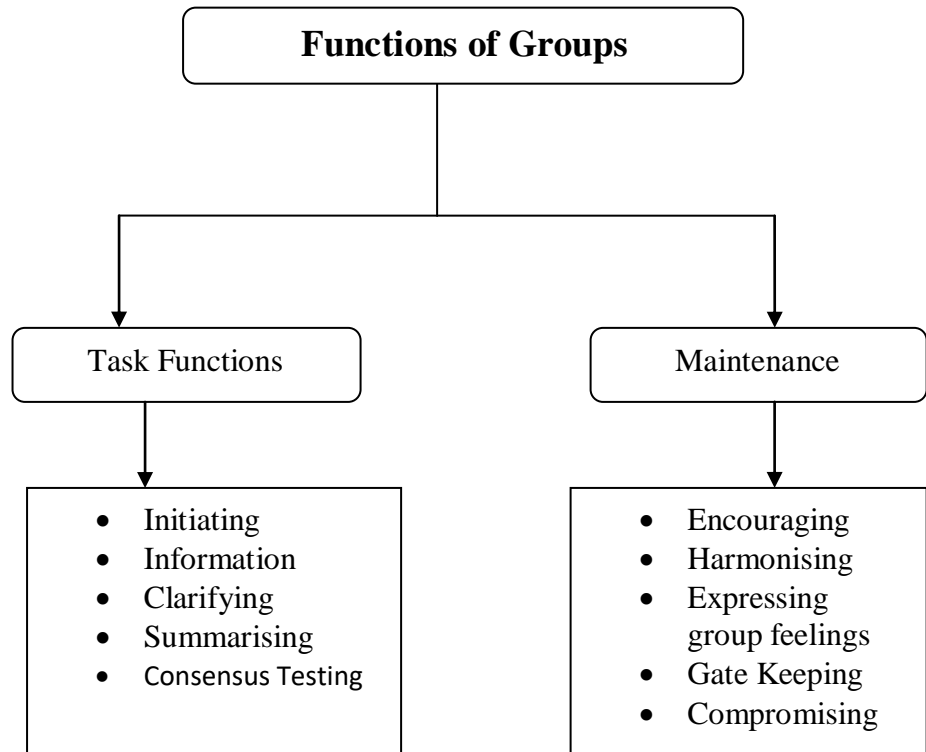
Fig.4.1. Functions of Group

A) Task Functions: Groups aid in task performance and efficient completion of tasks. Task functions relate to activities that are directly related to completing the team's work. The following are the task functions performed by groups:

(i) Initiating: It involves setting group goals, defining group problems and suggesting ideas for achieving group goals.

(ii) Information or Opinion seeking: It includes requesting for facts, seeking information, ideas and suggestions for solving problems and decision making.

(iii) Clarifying: It is indicating alternatives for solving problems, clearing doubts and providing clarity of thought to arrive at proper solution.

(iv) Summarising: It refers to restating facts, putting together related ideas and pointing out the common theme of discussion.

(v) Consensus Testing: Verifying with the group to find the level of agreement that has been reached. Assessing the readiness of group members to consider a decision.

B) Maintenance Functions: These functions focus on the personal relationships among members in the group. The following are the maintenance functions performed by groups.

(i) Encouraging: Providing opportunity to group members to contribute, being friendly and responsive to members and other groups. Recognisingcontribution of members and appreciating achievements.

(ii) Harmonising: There can be differences of opinions and conflicts between group members. Groups point out areas of understanding, encourage discussion, reduce tensions and reach common agreement.

(iii) Expressing Group Feelings: Identifying the mood, feelings and relationships in the group. Sharing of emotions and feelings with other members.

(iv) Gate keeping: Keeping communication channels open and encouraging members to express their ideas. Preventing a group member from dominating the discussion and being sensitive to non verbal signals.

(v) Compromising: Modifying ideas or opinions, offering a compromise to solve conflicts and enable the group move forward.

(vi) Standard settings: Helping the group to define its norms, changing norms which affect performance, reminding members of rules in an organisation when they are violated.

4.6 THEORIES OF GROUP FORMATION

Though a number of theories have been propounded by various experts to explain the dynamics of group formation, the most important ones are discussed hereunder:

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

Thus, the propinquity theory is not analytical; it does not consider the complexities of group behavior.

(ii) Homans' Theory: According to George C. Homans, "The more activities persons share, the more numerous will be their interactions and the stronger will be their shared activities and sentiments: and the more sentiments persons have for one another, the more will be their shared activities and interactions. Homans theory has contributed a great deal to the understanding of group formation. It is based on three concepts, namely activities, interactions and sentiments which are directly related to each other. The members of a group share activities and interact with one another not just because of physical proximity, but also to accomplish group goals. The key element is interaction because of which they develop common sentiments for one another.

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

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

Propinquity, interaction and common attitudes all have roles in the exchange theory.

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

4.7 FORMAL ORGANISATION & INFORMAL GROUPS AND THEIR INTERACTION:

Formal organisation are created to carry out some specific task or to meet a required goal.

- Explicitly stated defined structure, procedural rules and membership
- Relatively permanent of temporary (e.g. steering group or problem solving group)
- Defined roles and designated work assignments
- Well Defined norms
- Specified goals and deadlines.

Informal Groups: An organization's informal groups are the 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 explanation is simply proximity; when people work near one another every day, they are likely to form friendships. That likelihood is even greater when people also share similar attitudes, personalities, or economic status.

i) **Friendship Groups:** Groups often develop because the individual members have one or more common characteristics. We call these formations 'friendship groups'. Social alliances, which frequently extend outside the work situation, can be based on similar age, same political view, attended the same college, etc.

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

iii) **Reference Groups:** 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 a reference group. Employees have reference groups inside or outside the organization where they work. For most people, the family is the most important reference groups. 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 members of these groups.

iv) **Membership Groups:** When a person does belong 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 collection of 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 benefits arising from the group members' friendship.

v) **Cliques:** A relatively permanent informal groups that involves friendship. Most of the relationships came down to two cliques, each with a hanger-on, and some isolates. The groups included several different professions. They developed ideas about each other. Clique membership acted as a form of social control, forcing people to conform to group desires. The groups established norms regarding output, treatment of supervisor, reciprocity and other interpersonal relations. The cliques served as a system for sense making about organizational events. They developed their own set of beliefs, explaining things to each other.

4.8 IMPORTANCE OF TEAMS

Several benefits accrue to organisation from teams. More prominent of these are: enhanced performance, employee benefits, reduced costs, and organisational enhancements. Enhanced Performance can come in many forms, including increased productivity, improved quality and improved customer service. Working in teams enables workers to avoid wasted effort, reduced errors, and respond better to customers, resulting in more output for each unit of employee input.

(i) Employee benefits from teams include better quality of work life, and reduced stress: Rather than relying on the traditional, hierarchical, manager-based systems, teams give employees freedom to grow and gain respect and dignity by managing themselves, making decisions about their work, and really making a difference in the world around them. Consequently employees benefit immensely form teams.

(ii) Teams result in reduced scrap, fewer remuneration claims, and reduced turnover and absenteeism resulting in significant cost reduction: Members are committed to their team's performance. They do not want to let down their teams. Commitment to performance makes team members cost conscious.

(iii) Teams result in better quality decisions: Teamwork involves the collective effort of a group of people who represent diverse backgrounds, exposure and experiences. As more ideas and produced and alternatives are considered, the team is able to make optimal decisions. The decisions that are stronger because they have been made with various perspectives and interest in mind.

(iv) Team work results in improved processes: Because of the co-ordination between and transfer of learning among team members, teamwork results in organized approach to the situation at hand. For example, a team is more likely than an individual to set up project checkpoints and planning systems to enable all team members to contribute to the project as it unfolds. Team work also permits for distribution of workloads for faster and more efficient handling of large tasks or problems.

(v) Team work contributes to global competitiveness to the firms: Firms in the US are relying increasingly on diverse teams to compete in the global economy. Diverse teams have skill sets and perspectives that are superior to what a single individual can marshal. Diverse skills add to the competitive edge to the firms.

(vi) Organisational Enhancements: It includes increased innovation, creativity and flexibility. Teams can eliminate redundant layers of bureaucracy and flatten the hierarchy in large organizations. Employees will have better access to top management. In addition, the team environment constantly challenges teams to innovate and solve problems creatively. Organisational improvements are certain to result.

4.9 CHECK YOUR PROGRESS QUESTIONS:

1. Define group.
2. State the reasons for group formation.
3. What are the different types of group?

4. State the theories of group formation.

5. Indicate the significance of team.

4.10 SUMMARY:

- A group consists of a number of individuals working together for a common objective. Groups have significant influence on an organization and are inseparable from an organization.

- A group is defined as two or more individuals who are connected to one another by social relationships. Groups can be either formal or informal. By formal groups, we mean those defined by the organisation's structure, with designated work assignments, establishing tasks.

- The important characteristics of groups are as follows: strong desire of association, development of leadership, awareness among members, properties of individual and cohesiveness.

- The reasons for formation of group in an organisation are summarized as follows and they are companionship, sense of identification, source of information, job satisfaction, protection of members, outlet for frustration, perpetuation of cultural values and generation of new ideas.

- There are various types of groups, which may be formed with different goals. Hence, groups can be classified in various ways on the basis of goals, duration, extent of structuring, legal organization, etc. The important types of groups are as follows: primary and secondary groups, coalitions, formal and informal group, membership groups and reference groups, peer- group and command group and task group.

- Groups in an organisation serve two important functions. They are (a) Task Functions and (b) Maintenance Functions.

- Though a number of theories have been propounded by various experts to explain the dynamics of group formation, the most important ones are discussed hereunder: Propinquity theory, Homans' theory, Balance theory and Exchange theory.

- Several benefits accrue to organisation from teams. More prominent of these are: enhanced performance, employee benefits, reduced costs, and organisational enhancements.

4.11 KEY WORDS

Group: A collection of individuals who have regular contact and frequent interaction, mutual influence, common feeling, and who work together to achieve a common set of goals.

Frustration: Frustration is a feeling of annoyance that occurs when something doesn't go as we expect.

Consensus Testing: Consensus is the community resolution when opposing parties set aside their differences and agree on a statement that is agreeable to all.

Compromising: Compromise is when two sides give up some demands to meet somewhere in the middle.

Informal Groups: The Informal groups are those groups that get created spontaneously as soon as individuals start interacting with each other.

4.12 ANSWERS TO CHECK YOUR PROGRESS

1. A group consists of a number of individuals working together for a common objective. Groups have significant influence on an organization and are inseparable from an organization.

2. The reasons for formation of group in an organisation are summarized as follows and they are companionship, sense of identification, source of information, job satisfaction, protection of members, outlet for frustration, perpetuation of cultural values and generation of new ideas.

3. The important types of groups are as follows: primary and secondary groups, coalitions, formal and informal group, membership groups and reference groups, peer- group and command group and task group.

4. Though a number of theories have been propounded by various experts to explain the dynamics of group formation, the most important ones are discussed hereunder: Propinquity theory, Homans' theory, Balance theory and Exchange theory.

5. Several benefits accrue to organisation from teams. More prominent of these are: enhanced performance, employee benefits, reduced costs, and organisational enhancements. Enhanced Performance can come in many forms, including increased productivity, improved quality and improved customer service.

4.13 QUESTIONS AND EXERCISES

Short Questions:

1. What do you understand by group?

2. Why group is formed in an organisation?

3. Spell out the meaning of Formal Group?

4. What are the types of Informal group?

5. What is team?

Long Questions:

1. Explain the Functions of Group in detail.

2. Discuss the theories of group formation.

3. Distinguish between Formal and Informal Group.

4. Summarize the significance of Team.

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BLOCK II :ORGANISATIONAL STRESS AND MANAGEMENT
UNIT V FORMATION OF TEAMS

Structure

5.0 INTRODUCTION

Teams have increasingly become the primary means for organising work in contemporary business forms. The important function of the manager in an organisation is to create team spirits among subordinates. The word 'team' is generally used in group games like hockey cricket, football etc. A group is able to work together as a team only after all the persons in the group know the roles of all others with when they will be interacting. Team is a small group with

members in regular contact. When groups do operating tasks they do as a team and try to develop a cooperative circumstance is known as team work. A team work generates positive synergy through coordinated effort. Their individual efforts results in a level of performance which is greater than the sum of those individual inputs.

The study of group behaviour is very important in organisational behaviour. Because managing groups in organisations is more difficult than managing individuals. This is due to the fact that the groups exhibit patterns of behaviour that are different from the behaviours of members in their individual capacity. By understanding groups and the dynamics of group behaviour, the manager will be able to utilise groups to the mutual advantage of the group members and the organisations. Understanding group cohesiveness and the factors influencing group cohesiveness are very much essential for manager in managing human behaviour at work. When individuals are in groups, they act differently rather than do when they are alone.

5.1 OBJECTIVES

After studying this unit, you can able to

- Understand the meaning of Team
- Interpret the benefits of Team work.
- Analyse the significance of group dynamics.
- Identify the reasons for strong enforcement of group norms.
- Summarize the determinants of group cohesiveness.

5.2 DEFINITION AND CHARACTERISTICS OF TEAM:

DEFINITIONS: According to **Stephen P. Robbins,** "A work team is a collection of people whose individual effort results in a level of performance which is greater than the sum of their individual contributions".

According to **Katzenbach and Smith,** "Team is defined as a small number of people with complementary skills who are committed to a common purpose, performance, goals, and approach for which they hold themselves mutually accountable".

CHARACTERISTICS OF AN EFFECTIVE TEAM: The features of an effective team are as follows:

1) Clarity of Objectives: The vision, mission, task, and objectives of a team are formulated and acknowledged by all the members of the group.

2) Informal Nature: The environment within a team is likely to be relaxing, soothing, and informal in nature. there are no dull activities or stress among the members of the group.

3) Involvement: An effective team has a supportive atmosphere for healthy discussion and every member is promoted to participate in the discussions.

4) Listening: Various kinds of listening methods, such as paraphrasing, summarizing, and questioning are encouraged to bring out innovative thoughts from the members of an effective team.

5) Cultured Opposition: If there is any kind of dissent among the team members, they are comfortable with it and do not try to neglect, conceal, or disguise the dissent.

6) Unanimous Decisions: In order to take vital decisions, there is a consensus among the members with the help of open dialogue to attract every member's thoughts, removing formal voting, or easy settlement keeping the goal of the team as primary objective.

7) Open Communication: All the members of a team are free to give their opinions on the performance of the group along with the various tasks. There may be some subtle objectives. Communication is not limited only up to formal meetings.

8) Clear Work Allotments and Roles: Work is equally shared among the members of team. Each team member is

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expected to perform specific roles. Clear allotment of task is done which is accepted and performed by members.

9) Collective Leadership: Though every team has a designated team leader, the responsibility keeps transferring among the various group members frequently depending upon the various requirements of the group, talents of members, and different situations. The official leader creates a suitable behaviour and enables in building positive procedures.

10) External Relations: The team members are also involved in creating healthy and important relationship outside the group. This establishes a good prospect with the important individuals related to other divisions of the organisation.

11) Style Diversity: The team consists of a wide plethora of different types of team players which includes the members who give proper importance to goal-setting, operations,concentrate on the p[rocedure, and have a critical view about the performance of team.

12) Self – Appraisal: After a certain interval, the members of team sit together to evaluate the performance of team and try to find out the various hindrances which are affecting the performance adversely.

5.3 FORMATION OF TEAMS

Formation of team means the stages that work groups go through as they evolve and grow. Groups do not form and become effective overnight. It has been believed that team passes through standard sequence of five stages and they are forming, storming, norming, performing and adjourning.

1. Forming: The forming stage is when the group is just formed and the members are formally placed together in a work group. The members are very cautious in their interactions with others and the relationship among group members is very superficial. Any decisions in the group are

made by the more vocal members. Members seldom express their feelings in the group and the individual members in the group are trying to understand who are in the group have concerns about how they will fit in the group as a permanent group member.

2. Storming: After the formal group is created, internal sub groups get developed. Due to the newness of the group. However, small groups of two or three members interact with other and make an effort to get to know each other better. Thus, subgroups are formed. Once this sub grouping process takes place and members begin to feel somewhat more comfortatably in the group, they try to establish their position and test their powers in the bigger group. At this stage, disagreements tend to get expressed among the group members and feelings of anxiety and resentment are also expressed. Some power struggle may ensure at this stage to determine who should assume the role of informal leader. This storming stage is also known as the sub grouping and confrontation stage.

Stage 1: "Forming"
(Members get to know each other and seek to establish

Stage 2: "Storming"
(Members come to resist control by group leaders and show hostility)

Stage 3: "Norming"
(Members work together, developing close relationships and feelings of

Stage 4 : Performing"
(Group members work towards getting their jobs done)

Stage 5: Adjourning
(Groups may disbard after meeting their goals)

Fig.5.1. Formation of Teams

3. Norming: This is the next stage where the disagreements, differences and power issues which were dominant at the storming stage gets worked out. The group set norms, tries to attain some degree of cohesiveness, understands the goals of the group, starts making good decisions, expresses feelings openly and makes attempts to resolve

problems and attain group effectiveness. At this stage, which is also known as individual differentiation stage or initial integration stage, the individual roles get defined and task and maintenance roles are assumed by group members.

4. Performing: At the performing stage, the group has matured fully. The members are committed to the group goals, have complete trust in each other and allow honest disagreements to be freely expressed but make sure that the conflicts are satisfactorily resolved as and when they occur. The group evaluates members performance so that the group members develop and grow. Feelings are expressed at this stage without fear, leadership roles are shared among the members and the members activities are highly coordinated. The task and maintenance roles are placed played very effectively. The task performance levels are high and member satisfaction, pride and commitment to the group are also high. Both performance and member satisfaction are sustained indefinitely. This stage is also referred to as collaboration stage or final integration stage. Since reaching this stage requires a long period of time and member homogeneity in values and goals.

5. Adjourning: For permanent work groups, performing is the last stage in their development. However, for temporary committees, teams, task forces and similar groups that have a certain specific and limited task to perform, there is an adjourning stage. In this stage, the group prepares for its disbandment. High task performance is no longer the group's top priority, rather attention is directed towards wrapping up group activities. Responses of group members vary at this stage. Some are very happy because of the group's accomplishments whereas some may be depressed over the loss of friendships gained during the work group's life.

5.4 BENEFITS OF TEAM

The benefits of team are summarized as follows

1) Improves Relationships: Team develops and nurtures relationships and enhances communication between team members.

2) Enhances Employee's Motivation: Team work initiatives give people a break from their daily routine. This increases people's motivation by making them to think that their work is important for the organisation,

3) Boosts Morale and Ease Problems: Team building boosts morale and helps in sorting out problems in an organsiation. It suggests a method for tem members to strive toward a mutual objective.

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4) Facilitates Exchange of Ideas: Team work encourages sharing of ideas and working as a team to find solution to a problem. Team members learn to accept views of others, cope up with unsuccessful attempts, and excel as a team. Team work acts as a binging force in the team.

5) Increases Employee Satisfaction: Working in team increases interaction and coordination between team members. People, who are a part of such an interactive team, overcome their problems and like their jobs. This in turn improves their job satisfaction.

6) Reduces Communication Gap: The interpersonal dependence created by self-managed teams demands more interaction as compared to working individually. This significantly improves communication within the team. Similarly, cross-functional teams build inter-function dependency and thus enhance organizational communication.

7) Provides Organisational Flexibility: Cross training under team building results in enhancement of skills of people. It encourages members to do each other's jobs. As a result of this, organizational flexibility is enhanced. In a changed scenario, work can be reframed and allocated to any member as per the board.

5.5 MEANING AND CHARACTERSITICS OF GROUP DYNAMICS

The word "dynamics" has been derived from the Greek word meaning force" "Hence group dynamics refers to the study of forces operating within a group". In other words, "The social process by which people interact face to face in small groups is called group dynamics". Group dynamics in organisational behaviour is primarily concerned "with the interactions of forces between group members in a social situation". Kurt Lewin is identified as the founder of group dynamics movement. His findings are based on the experiments he conducted on small groups in 1930s. The other experiments were those, which were conducted by Elton Mayo and his associates in 1920s and 1930s.

Group dynamics deals with the attitudes and behavioral patterns of a group. Group dynamics concern how groups are formed, what is their structure and which processes are followed in their functioning. Thus, it is concerned with the interactions and forces operating between groups. The term "group dynamics" refers to the interactions between people who are talking together in a group setting. Group dynamics can be studied in business settings, in volunteer settings, in classroom

settings, and in social settings. Any time there are three or more individuals interacting or talking together, there are group dynamics.

Group dynamics involve the study and analysis of how people interact and communicate with each other in face-to face small groups. The study of group dynamics provides a vehicle to analyse group communications with the intent of rendering the groups more effective. In its most basic sense, Group dynamics is used to describe something that is happening in all groups at all times, whether anyone is aware of it or not. "Group dynamics" used in this way refers to the complex forces that are acting upon every group throughout its existence which cause it to behave the way it does. We can think of every group as having certain relatively static aspects – its name, constitutional structure, ultimate purpose, and other fixed characteristics. But it also has *dynamic* aspects – it is always moving, doing something, changing, becoming, interacting, and reacting. And the nature and direction of its movement is determined by forces being exerted on it from within itself and from outside. The interaction of these forces and their resultant effects on a given group constitute its dynamics. In this sense, "group dynamics" is to groups what "personality dynamics" is to individuals. It is a phenomenon that occurs naturally; nobody invents it.

According to Kurt Lewin, "Group dynamics deal with internal nature of groups, how they are formed, what structure and processes they adopt, how they function and affect individual members, other groups and the organisation".

CHARACTERISTICS OF GROUP DYNAMICS: The important features of Group dynamics are as follows:

1. Group dynamics is concerned with group: Wherever a group exists the individuals interact and members are continuously changing and adjusting relationship with respect to each other. The members of the group may interact , may be in state of tension , may be attracted or repelled to each other , may seek the resolution of these tensions and return to equilibrium after the resolution.

2. Dynamics: The rigidity or flexibility (cohesion or conflict) of group affects group dynamics.Changes go on occurring like introduction of the new members, changes in leadership, presence of old and new members and the rate of change – fast or slow. The groups may dissolve if the members are not enthusiastic about the goals, they have

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no faith in the ideology and do not identify themselves with the group. This means that the cohesiveness in the group has decreased.

3. Rigidity or flexibility that influence a group dynamics: If the members get along well there is smooth sailing for the group and if there is conflict it leads to problems. A rigid group may not change and lacks adaptability to change. But the members if are able to solves the problems, the equilibrium can be maintained. The conflict and tension if increases within the group, this can cause an open flare up and strong measures are urgently.

4. Effectiveness of Leader: It leads to greater group effectiveness, participation, cooperation and a constructive morale. The leader will be effective only if the group is organized and stable. Some degree of organization is essential for effective functioning of the group and depends on the proportion of the well-defined roles members have in the group. The organized group is one with every member having specific roles and acting towards other members in the prescribed manner.

5. Continuous process: Dynamic group always is in continuous process of restructuring, adjusting and readjusting members to one another for the purpose of reducing the tensions, eliminating the conflicts and solving the problems which its members have in common. The changes may take within a group and it is interesting to study the way the change do occur. The frequent changes indicate the capacity of the group to change and adapt.

5.6 SIGNIFICANCE OF GROUP DYNAMICS

Group dynamics is important due to following reasons:

➢ Formal and informal workgroups are becoming increasingly important competitive factors in an organisation due to changes in an organisation.

➢ Team work is the result of groups working together to effectively and efficiently achieving organisation tasks, vision and mission.

➢ Group dynamics is a useful way to analyze groups as systems that use inputs and engage in various processes or transformations, and produce outcomes in an organisation.

➢ Group members should have task – relevant expertise and appropriate interpersonal skills for accomplishment of tasks.

➢ Group dynamic is a degree of diversity among group members that usually adds to performance in project.

➤ Group training, particularly for diverse groups which has been found to be useful and helpful to other members in a team.

➤ Group dynamics help to build highly potential efficient groups along with superior performance results.

➤ Team members may be attracted to a group for a number of reasons like as liking other members of the group, liking the activities of the group, the goals or purposes of the group, the group satisfies an individual's need for affiliation, and the group can help an individual to achieve a goal outside the group.

5.7 MEANING AND CHARACTERISTICS OF GROUP NORMS

Norms refer to group behavior standard, beliefs, attitudes, traditions and expectations shared by group members. According to Michael Argyle, "Group norms are rules or guidelines of accepted behavior which are established by a group and used to monitor the behavior of its members". They are framed to achieve objectives of the group. They can be social and fair in nature. Norms define boundaries between acceptable and unacceptable behavior. They make the members to identify themselves with the group. Norms play a significant role in disciplining the members of a group to make them to work regularly and properly. This reduces absenteeism and employee turnover. The members of the group are expected follow the norms strictly. This will make the group more organized.

"Group Norms are set of beliefs, feelings, and attitude commonly shared by group members. These are also referred to as rules of standards of behaviour that apply to group members". These are prescriptions of behaviour accepted and determined by the group. As per the Handbook of Industrial and Organizational Psychology, the Norm is defined as "acceptable standards of behaviour that are shared by the group members." All groups have established norms, i.e., norms tell members what they 'ought' and 'ought not' to do a thing under certain circumstances. From an individual stand point, they tell what is expected of them in certain situations. When agreed to and accepted by the group, norms act as a means of influencing the behaviour of group members with a minimum of external control. Norms differ among groups, communities and societies, but they all have them.

"Group norms are rules or guidelines of accepted behaviour which are established by a group and used to monitor the behaviour of its members". – **Argyle.**

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"Group norms are the informal guidelines of behaviour and a code of conduct that provide some order and conformity to group activities and operations. These rules are expected to be followed by all the group members. These norms and rules generally develop gradually and informally as group members learn as to what behaviours are necessary for the group to functiom effectively". – **D.C. Feldman.**

CHARACTERISTICS OF GROUP NORMS:

- ❖ Norms summarize and simplify group influence processes.
- ❖ Norms are generally developed only for behaviour which are considered as important by most group members.
- ❖ Norms apply only to behaviour, and not to private thoughts and feelings.
- ❖ Not all norms apply to everyone in the group in the same manner.
- ❖ Norms usually develop gradually, but the process can be shortened if members so desire.

5.8 TYPES OF GROUP NORMS

Group norms can be classified as follows

- ➢ **Performance Norms:** Working groups normally give their members precise idea about how hard they have to work, how to complete the given job, their degree of output, the exact level of delay that is allowed etc. These norms control the performance and productivity of each member.
- ➢ **Appearance Norms:** These incorporate things like suitable dress, loyalty to the work group or organizations etc. Some organizations include formal dress codes.
- ➢ **Arrangement Norms:** These norms arise from informal groups and mainly control social informal groups and communications within the group.
- ➢ **Resource Allocation Norms:** These norms may arise in the group or within the organisation and encompasses things like pay, allotment of difficult job and allocations of new tools and equipments.

5.9 DEVELOPMENT OF GROUP NORMS

The development of group norms may be obvious in groups where members meet face-to-face. However, the group members can and do appropriate into their group interaction the particular rules of computer technology, making those rules their own. During the formation stage of a new small group, norms are developed rapidly. Norms do not

suddenly and magically appear in groups. They seldom, if ever, develop in a purely spontaneous way. Rather, they arise out of interaction among group members. Most norms develop in one or more of the following ways:

- Explicit statements made by a group member or leader.
- Critical events in the group's history.
- Primacy which is the first behaviour pattern that emerges in a frequently sets groups expectations.

- Carry out behaviour from past situations. Group members bring expectations with them from other groups of which they have been members.
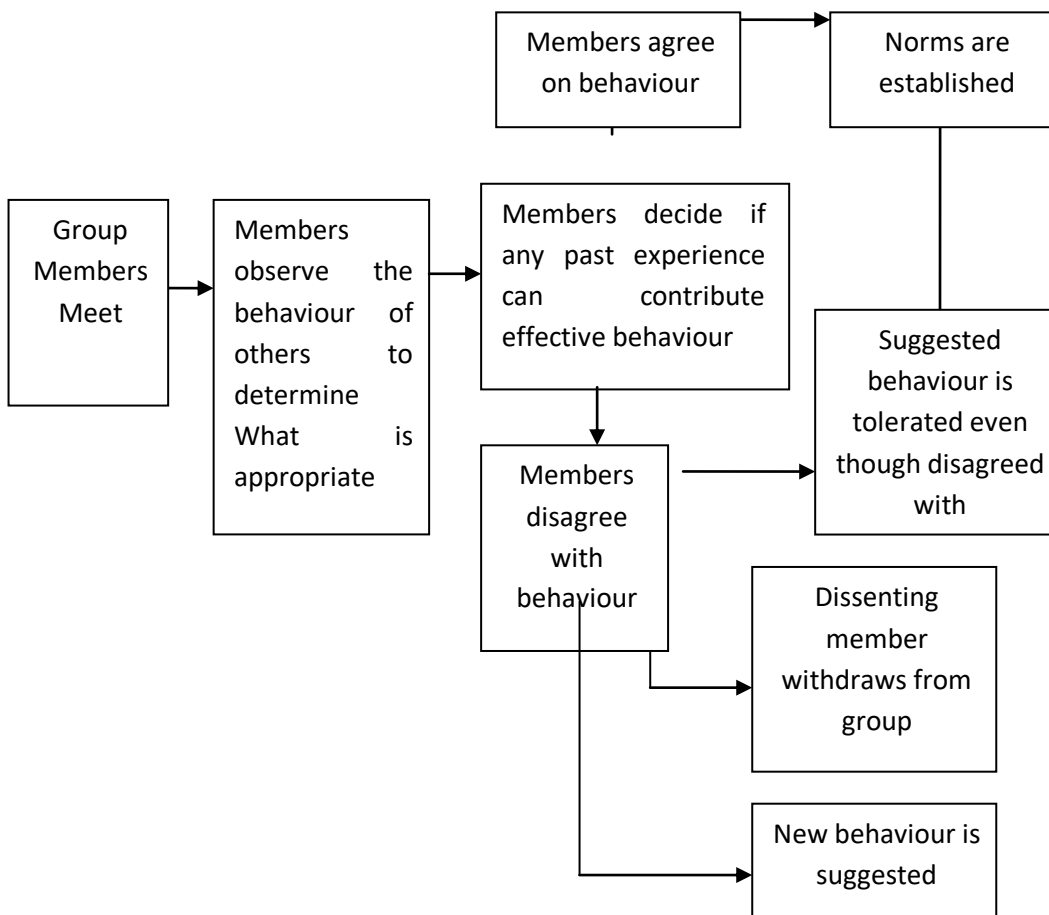
Fig.5.2. Development Process of Norm

An example of a typical norm development process is shown in the following diagrammatic representation.

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5.10 ENFORCEMENT OF GROUP NORMS

Group leaders can devise certain actions for the adherence to group norms, particularly those norms which are critical to the group. These actions may be of the following types:

1. **Education:** Adherence to the group norms can be increased through members about how the group norms contribute to the achievement of group goals. Increasing each member's involvement in the group's activities also helps in adherence to group norms.

2. **Surveillance:** Surveiallance of adherence to group norms provides clue to measure the degree to which group members adhere to norms. Such a clue helps managers to devise suitable actions for ensuring conformity to norms.

3. **Warning:** Deviant members can be warned of the consequences of non –adherence to group members.

4. **Sanctions:** This is the stage of taking actions against deviant numbers. Sanctions should be used only if means of persuading deviant members are exhausted.

Reasons for Strong Enforcement of Norms: Groups don't have the time or energy, to regulate each and every action of the group members. Only those behaviors that sound to-be important by group members should be brought under control. Groups, like individuals, try to operate in such a way that they maximize their chances of task success and minimize (heir chances of task failure. Groups want to facilitate their performance and overcome barriers to reach their goals. Moreover, groups want to increase morale and prevent any interpersonal discomfort to their members. Norms that will help groups meet these aims of performing successfully and keeping morale high are likely to be strongly enforced. Conditions where group norms will be strongly enforced are as follows:

- If the norms facilitate group success or ensure group survival.
- If the norms simplify or predict regarding the behavior which is expected from group members.
- If the norms emphasize the roles of specific members within a group and
- If the norms help the group to solve the inter-personal problems themselves.

5.11 DEFINITION AND CHARACTERISTICS OF GROUP COHESIVENESS

Attractiveness is the key to cohesiveness. Cohesiveness is the extent to which group members are loyal and committed lo the group and to each other. In a highly cohesive group, the members work well together, support and trust one another and are generally effective at achieving their chosen goals. A group that lacks cohesiveness will not be very much coordinated. ts members will not support one another and they may face difficulty in reaching their goals. Managers should develop an understanding of the factors that increase and reduce group cohesiveness.

Group cohesiveness means the degree of attachement of the members to their group. The members of a cohesive group strongly share the goals of the group and are attached to one another. The greater the degree of attachment, the greater is likelihood that all members will conform strictly to the group standards and greater the likelihood reflects the fact that the leader represents the feeling of all members. Cohesiveness groups are often powerful and their members act unity whenever the group faces any threat from external sources.

According to **K. Aswathappa**, "Cohesiveness is understood as the extent of liking each member has towards others and how far everyone wants to remain as the member of the group".

Leon Festinger defined Group Cohesiveness as**,** "the total field of forces which act on members to remain in the group".

Liberman defined group cohesiveness as "a group property with individual manifestations of feelings of belongingness or attraction to the group".

"Cohesiveness is the attractiveness of the members towards the group or resistance of the members leaving it**".** It refers to the attachment of members with the group.

CHARACTERISTICS OF GROUP COHESIVENESS: A cohesive group has the following characteristics:
*   The members share the group goals and norms and have common interests and backgrounds.
*   The number of members is small.

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- The members interact among themselves quite frequently and interpersonal communication is very effective.
- Group loyalty among the members is high because the group enjoys high status.
- The members stand united against any perceived external threats to the group.
- The members keep themselves glued to the group as they feel that their needs would be satisfied by the group.

5.12 FACTORS INFLUENCING GROUP COHESIVENESS

There are many factors which cause cohesiveness in the group. Some of the factors are as follows:

1. Nature of the group: Groups in which members have similar interest and background (age, education, status, experience) are homogeneous groups. Groups in which members have different interests and background are heterogeneous. Homogeneous groups are better to perform tasks requiring mutual co-operation. Heterogeneous groups are less effective in achieving common goals.

2. Size of the Group: Small groups are more effective when compared to large groups. in small groups, there is face to face interaction, close co-operation and a sense of belonging. this results in better relationship among group members.

3. Communication: If group members are located close to each other, they can interact freely and regularly. They develop their unique language and codes to communicate. This improves the cohesiveness among group members. Even if members are in different locations, group cohesiveness would be high if there is regular interaction.

4. Leadership Style: Leadership style has an important role in influencing group cohesiveness. Different leadership styles have their distinct influence on group cohesiveness. Effective leaders promote interaction among members, satisfy their social needs and keep them together.

5. Group Status: Group cohesiveness is influenced by the status of the group. Members display high degree of loyalty to high status groups. This makes the group more strong and cohesive.

6. Autonomy: If the task of group members are independent, there would be l;ess interaction and cohesiveness. If tasks are interdependent, there would be better interaction and group cohesiveness.

7. Location of the groups: Location of the group influences group cohesiveness. If group members are located close to each other and isolated from other groups, there is better cohesiveness. If groups are close to each other, cohesiveness in a group would be difficult to achieve.

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            ┌─────────────────────┐
            │ Nature of the group │
            └─────────────────────┘

┌─────────────────────────┐          ┌──────────────────┐
│ Action of the Management │         │ Size of the Group │
└─────────────────────────┘          └──────────────────┘
                                      ┌──────────────┐
┌───────────┐      ┌──────────────┐   │ Communication │
│ Outside    │     │              │   └──────────────┘
│ Pressure   │     │ Cohesiveness │   ┌───────────────┐
└───────────┘      └──────────────┘   │ Leadership styles │
                                      └───────────────┘
┌────────────────────────┐          ┌──────────────┐
│ Location of the Group   │         │ Group Status  │
└────────────────────────┘          └──────────────┘
            ┌──────────┐
            │ Autonomy │
            └──────────┘
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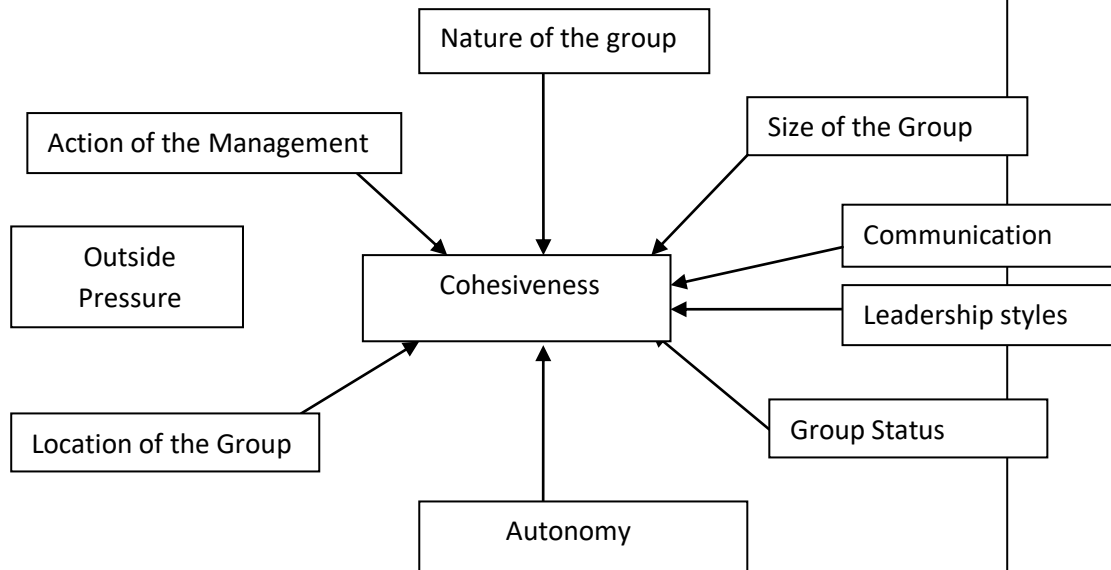
Fig.5.3. Factors Influencing Cohesiveness

8. Outside Pressure: Groups provide security to members from external pressure. If a member feels stress, he may seek advice and guidance from other group members. The close interaction between members helps to overcome stress.

9. Actions of the Management: Managers can build group cohesiveness by encouraging co-operation among members. They can use group cohesiveness to achieve the goals of an organisation. If the management created unhealthy competition among employees, group cohesiveness would be difficult.

5.13 MEASURES TO INCREASE COHESIVENESS

The following steps may be taken to increase group cohesiveness:

1. Inducing agreement on group goals: The work of every employee influences and is influenced by the work of others. In the workplace the

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employees, therefore have to work as a team. If only they work in a co-ordinated manner, it will be possible for them to carry out any task.

There must be consensus among the members on the goal for the accomplishment of which they work together. The manager has to play a vital role in this regard.

Increasing Group cohesiveness

Inducing agreement on group goals	Taking care of the group size
Increasing the membership of like-minded persons	Encouraging competition among groups
Increasing interactions among members	Rewarding the group instead of the individuals

Isolating the group members from the rival groups
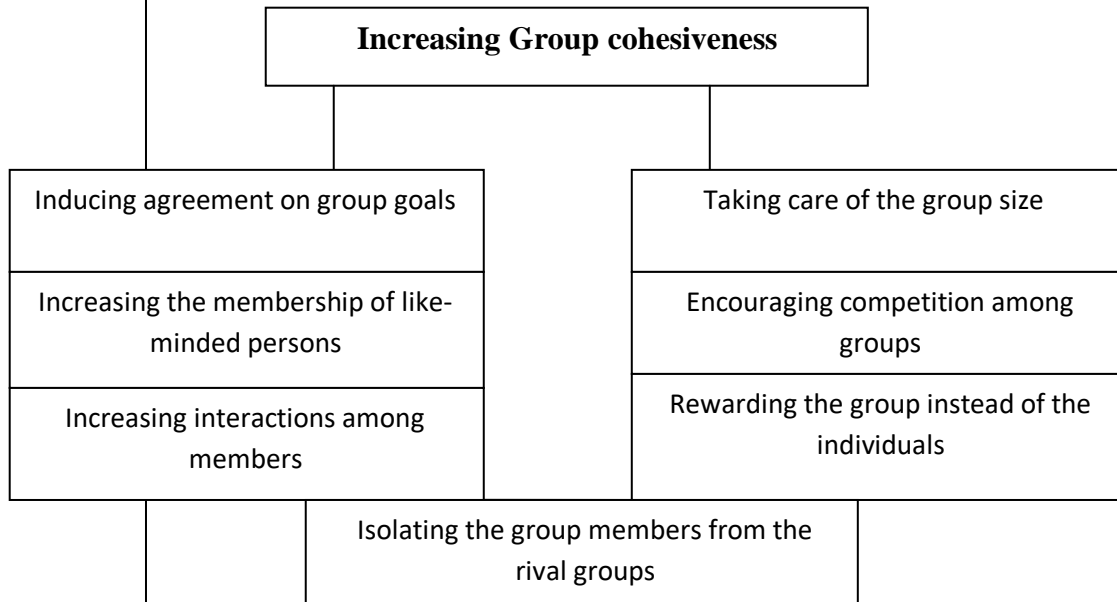
Fig.5.4. Measures to Increase Cohesiveness

2) Increasing the membership of like - minded person: Every organisation has a unique culture that is reflected in the beliefs and attitudes of the personnel and also in the work methods, and practices. The behaviour of the employees, therefore, must reflect its culture. While recruiting new employees, it must be ensured that they are in a position to understand and appreciate the organisation's culture.

If some members behave in an altogether different manner without bothering about the customs and values of the organization, it is sure to affect group cohesiveness. Steps, must, therefore, be taken to induct and retain only those whose thinking coincides with that of the key persons in the organisation.

3) Increasing Interaction among Members: Any issue has to be discussed in a forum and no attempt shall be made to thrust one's views on others. Before evolving decisions on any important matter, the

manager must provide opportunities for all his subordinates to discuss the same and arrive at a consensus.

Group cohesiveness depends on a greater extent on how often and how effectively the members interact before reaching an agreement on any issue.

4) Taking care of the group size: If the group is unwieldy, securing consensus among the member is sure to become difficult. It is, therefore, necessary to take care of the group size.

5) Encouraging competition among groups: Another measure to increase group cohesiveness is to encourage healthy competition among the different groups in the organisation. For example, the salesman deployed in the southern region may compete with those deployed in the northern region. This will induce the salesman in both the groups to evolve some strategy and work with better understanding.

6) Rewarding the group instead of the individuals: If any group performs well, it is important to reward the group as a whole instead of rewarding a few although they have made a significant contribution when compared to others. This may help to avoid ill-feelings among g the group members and may in fact bring them closer.

7) Isolating the group members from rival groups: When there are rival groups, it may sometimes, be necessary to isolate the group members from the rival groups. For this purpose, the leader of the group may have to caution his members always so that they do not get carried away by the claims of the rivals and continue to be loyal to their group.

5.14 ADVANTAGES OF GROUP COHESIVENESS

The advantages of group cohesiveness are as follows:
- The members of cohesive groups have high morale.
- The members don't have conflicting views, which decreases the chances of in clash among the views of group members at the workplace or elsewhere.
- Individuals of cohesive groups have no anxiety at the workplace.
- Members of cohesive groups are regular at their work.
- Cohesiveness increases productivity.
- Organizations gain from the members of cohesive group because they communicate better
- They share ideologies and respect opinions of fellow employees.
- Members of groups have shared values and have loyalty to the team.

- There is smooth relationships between group members.
- Communication is open and there is free flow of communication among members.
- Group members bring their variety of skills which contribute to the effectiveness of groups.
- Decisions are taken by the collective views and knowledge of groups. This results in balanced decisions.
- Members of the group work towards a common goal.
- It results in better productivity and contributes to better innovation.

5.15 CHECK YOUR PROGRESS QUESTIONS

1) Define team.
2) State the benefits of team.
3) What are the characteristics of Group Dynamics?
4) Spell out the types of group norms.
5) What do you understand by Group Cohesiveness?
6) Indicate the measures to increase group cohesiveness.

5.16 SUMMARY

- Teams have increasingly become the primary means for organising work in contemporary business forms.

- When groups do operating tasks they do as a team and try to develop a cooperative circumstance is known as team work.

A team work generates positive synergy through coordinated effort. Their individual efforts results in a level of performance which is greater than the sum of those individual inputs.

- Formation of team means the stages that work groups go through as they evolve and grow. It has been believed that team passes through standard sequence of five stages and they are forming, storming, norming, performing and adjourning.

- The features of an effective team are as follows: clarity of objectives, informal nature, involvement, listening, cultured opposition, unanimous decisions, open communication

- Clear work allotments and roles, collective leadership, external relations, style diversity and self – appraisal.

- The benefits of team are summarized as follows and they are improves relationships enhances employee's motivation, boosts morale and ease problems, facilitates exchange of ideas, increases employee satisfaction, reduces communication gap, and provides organisational flexibility.

- Group dynamics involve the study and analysis of how people interact and communicate with each other in face-to face small groups. The study of group dynamics provides a vehicle to analyse group communications with the intent of rendering the groups more effective.

- The important features of group dynamics are as follows: group dynamics is concerned with group, dynamics, rigidity or flexibility that influence a group dynamics, effectiveness of leader and continuous process.

- Group Norms are set of beliefs, feelings, and attitude commonly shared by group members. These are also referred to as rules of standards of behaviour that apply to group members.

- Group norms can be classified as follows and they are performance norms, appearance norms, arrangement norms and resource allocation norms.

- The development of group norms may be obvious in groups where members meet face-to-face. However, the group members can and do appropriate into their group interaction the particular rules of computer technology, making those rules their own.

- Group leaders can devise certain actions for the adherence to group norms, particularly those norms which are critical to the group. These actions may be of the following types: education, surveillance, warning and sanctions.

- Attractiveness is the key to cohesiveness. Cohesiveness is the extent to which group members are loyal and committed lo the group and to each other.

- Group cohesiveness means the degree of attachement of the members to their group. The members of a cohesive group strongly share the goals of the group and are attached to one another.

- There are many factors which cause cohesiveness in the group. Some of the factors are as follows: nature of the group, size of the group, communication, leadership style, group status, autonomy, location of the groups, outside pressure and actions of the management.

- The following steps may be taken to increase group cohesiveness and they are inducing agreement on group goals, increasing the membership of like - minded person, increasing interaction among members, taking care of the group size, encouraging competition among groups, rewarding the group

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instead of the individuals and isolating the group members from rival groups.

- Members of groups have shared values and have loyalty to the team, share ideologies and respect opinions of fellow employees, smooth relationships between group members, communication is open and there is free flow of communication among members are some of the advantages of group cohesiveness.

5.17 KEY WORDS

Team: A group of people with a full set of complementary skills required to complete a task, job, or project.

Norming: A pattern of behavior considered acceptable or proper by a so cial group.

Storming: Where people start to push against the boundaries established in the forming stage. This is the stage where many teams fails.

Unanimous: when people think unanimously, they all have the same idea in their heads.

Group Dynamics: Group dynamics can be used as a means for problem-solving, team work, and to become more innovative and productive as an organisation as whole.

Self – Appraisal : Self evaluation process involved in determining the level of self efficacy. An employee's own judgenment about the quality of their work.

Group Norms: Group norms are the informal guidelines of behavior and a code of conduct that provides some order and conformity to group activities and operations.

Group cohesiveness: Cohesiveness is the degree to which the group members are attracted to each other and are motivated to stay in the groups.

5.18 ANSWERS TO CHECK YOUR PROGRESS

1) When groups do operating tasks they do as a team and try to develop a cooperative circumstance is known as team work. Teams have increasingly become the primary means for organising work in contemporary business forms.

2) The benefits of team are summarized as follows and they are improves relationships enhances employee's motivation, boosts morale and ease problems, facilitates exchange of ideas, increases employee satisfaction, reduces communication gap, and provides organisational flexibility.

3) The important features of group dynamics are as follows: group dynamics is concerned with group, dynamics, rigidity or flexibility that influence a group dynamics, effectiveness of leader and continuous process.

4) Group norms can be classified as follows and they are performance norms, appearance norms, arrangement norms and resource allocation norms.

5) Group cohesiveness means the degree of attachement of the members to their group. The members of a cohesive group strongly share the goals of the group and are attached to one another.

6) The following steps may be taken to increase group cohesiveness and they are inducing agreement on group goals, increasing the membership of like - minded person, increasing interaction among members, taking care of the group size, encouraging competition among groups, rewarding the group instead of the individuals and isolating the group members from rival groups.

5.19 QUESTIONS AND EXERCISES

Short Questions :

1. What do you mean by Team work?
2. State the meaning of Group Dynamics.
3. What do you understand by group norms.
4. State the reasons for strong enforcement of norms.
5. Define group cohesiveness.

Long Questions:

1. Discuss the different methods of formation of teams.
2. Explain the significance of group dynamics.
3. Summarize the ways to develop and enforce group norms.
4. Enumerate the determinants of group cohesiveness.
5. Explain the advantages of group cohesiveness.

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UNIT VI ORGANISATIONAL POWER AND POLITICS

Structure

6.0 INTRODUCTION

Organisations operate by distributing authority and setting a stage for the exercise of power. Individuals who are highly motivated to secure and use power find a familiar and hospitable environment in business. At the same time, executives are reluctant to acknowledge the place of power both in individual motivation and in organizational relationships. Somehow, power and politics are dirty words. Power and politics are important concepts in the study of Organisation Behaviour. Both power and politics are dynamic concepts and are a function of interaction between different elements in organisations.

It is often said "Power corrupts and absolute power corrupts absolutely". In spite of this negative remark, power is vital and essential for organisations because power is like a fuel that provides energy to run organisational machinery.

The Study of power is important in the corporate environment. Power depends from person to person and its use depends upon the attitude of an individual. Power in public life is different than corporate world. While former is situational the later is object oriented. In public life, its promises may or may not work as desired. Proper use of power in organization is necessary so that the sources of power is not misused and directed towards attainment of organizational goal. It is important to understand the manager who uses power to understand employee behaviour, because methods of using power are different for different

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managers in the organization. It is therefore essential to allow minimum power that may be necessary to maintain peaceful environment. The study to understand how power is acquired and used for attainment of organizational goals is essential. Power is a force that cannot be seen, but its impact can be felt.

6.1 OBJECTIVES

After studying this unit, you can able to
- Define Power.
- Understand the sources of Power.
- Know the characteristics of Power.
- Identify the circumstances leading to acquisition of power.

6.2 DEFINITION OF POWER

A few definitions of power are as follows:

Power has been defined as "the ability to influence and control anything that is of value to others". It is the ability to influence the behaviour of their people in the organisation and to get them to do what they otherwise would not have done".

German sociologist, **Max Weber** defined power as "the probability that one actor within a social relationship will be in a position to carry out his own will despite résistance".

"Power is the ability to influence people or things, usually obtained through the control of important resources". – **White and Bednar.**

Power is defined as, "the ability to influence behaviour, to change the course of events, to overcome resistance, and to get people to do things that they would not otherwise do" – **Pfeiffer.**

Weber defines Power as, "the probability that one actor within a social relationship will be in position to carry out his own will despite resistance".

"Power is to be treated as a capacity that A has to influence the behaviour of B, so that B does something he or she would not otherwise do"- **Robbins.**

"Power is the ability to influence flows of the available resources towards certain goals as opposed to other goals. Power is assumed to be exercised only when these goals are at least partially in conflict with each other"---**Walter R. Nord.**

6.3 SOURCES OF POWER

A person in an organizational setting can acquire power from two sources namely Interpersonal based sources and Organisation based sources. They are as follows:

I) Interpersonal based Sources of Power: Interpersonal sources of power are based upon the inter - personal relationships between manager and subordinate.

1. Reward Power: This power source derives from the person's control over resources, for example power to control human resources, pay and promotion. Greater the perceived value of each rewards the greater the power. These rewards can be extrinsic in nature with tangible values as well as intrinsic such as praise or recognition.

2. Coercive Power: The power to punish or reward, the power to threaten and to use one's position to force others to take action. It reflects the extent to which a manager can deny desired rewards or administer punishment to control other people. For example a threat to meet given targets otherwise there would be reduction in salary.

3. Legitimate Power: The power which is exercised in accordance with organizational rules. This power which is exercised with the authority of organization. Power derives from our cultural system of rights, obligations and duties, whereby position is accepted by people, i.e. right of private property.

4. Referent Power: This depends on charisma or personal attraction of the individual. Interpersonal skill and emotional support from others are the sources of power for a person. Stronger the association, stronger the power. For example Mahatma Gandhi, people believed in his ideology.

5. Expert Power: Power which derives from knowledge. Sometimes called sapient authority, this is power based on an acknowledgement of others expertise e.g. Physician.

6. Information Power: Information about people, events or other facts assists prediction about future behaviour or events.

II) Organisational based sources of power:

1. Knowledge as power: Information Technology has taken a big leap in the last two decades. Information is necessary for top management to take decisions. Information is vital to carry out various operations in the

business environment. Thus a person or a group holding information becomes more powerful than their counter part. Flow of information is necessary for continuous production or service operations. Persons who are in position to control the flow of information wield enormous power to influence the behaviour of others.

2. Resource as power: Resources are necessary for any organization. While material or tangible resources can be procured easily, it is the availability of these resources, at right time, at right place in a required quality and at a competitive price. Any person having monopoly over scares resources wield power. When project is required to be started, it is Government agencies which delays the project for want of various resources, like power, water, etc. Human Resources are critical. Any person having direct or indirect control over making skilled persons available holds power. Organization cannot survive without adequate availability of various resources.

3. Decision making as power: Decision making as power in organization rests with the head of the organization. Decision making is delegated to departmental heads depending upon the nature of work, ability of the departmental heads and the trust enjoyed by them. Decision making is one of the most important processes of management. Decisions are influenced, may be by subordinates, peers, friends or even family members who are psychologically close to decision maker. Therefore, both a person having decision making authority and a person who can influence decision making have power in the organization. Hiring a close relative, purchases in the organization, client selections etc. are day to day events in the organization which, indicate the power centers.

4. Power Centers: There exist people in the organization who desire to be stronger. They also want people dependent on them. Specialists, people with special powers deliberately delay decisions or hold resources so that they become more demanding. Power centers exist in various departments. It may in form of reservoir of power.

5. Dependency: Strength of power depends upon degree of dependency. Greater the dependency on the power holder greater influence will the power holder exercised over his subordinates. Dependency is directly related between power holder and those do not have it. Power holder holds power of retention to be able to increase dependency.

6.4 CHARACTERISTICS OF POWER

The characteristics of power are as follows

1. Dependency: The fundamental aspect of power is dependency. A person enjoys power only if he controls the desires of others. For example, children who are studying in a college totally depends on their parents for meeting the educational expenses. Here children recognise the power of parents. After getting a job and start to earn themselves, parents power is reduced significantly.

2. Power is specific: It means that power can be exercised only by some people, that too under some circumstances. It shows that power cannot be exercised by all people at all times. The domain of the power is different for different people. This may be higher in some or lower in others.

3. Reciprocal relationships: Power relationship in organisations is essentially in a reciprocal nature. Power is only enjoyed by top-level officers is not correct. In fact power is enjoyed by all even though there are differences in the degree and level of power. Power exists only in a relationship between two or more persons. It is based on two way concept of influencing others and being influenced.

6.5 CIRCUMSTANCES LEADING TO ACQUISITION OF POWER

A person may acquire power under the following circumstances:

1. Indulging in Problem-Solving Activities: In a workplace, most employees indulge in routine activities that may not give them prominence. Certain individuals often indulge in activities that help to solve organisational problems, e.g., averting labour-management clashes, strikes, lock-out etc. Such individuals, obviously, gain power.

2. Performing Extraordinary or Unusual Activities: Some persons acquire power by performing certain extraordinary or unusual activities, e.g., designing a new product, negotiating a new contract and so on.

3. Developing Interpersonal Relationships: In an organisation, an individual who is very good in human relations and is able to develop good interpersonal relationships may also increase his personal power.

4. Securing the Superior's Endorsement: Of the various subordinates a superior has, only one or two may have the capacity to secure the superior's endorsement to move to higher positions.
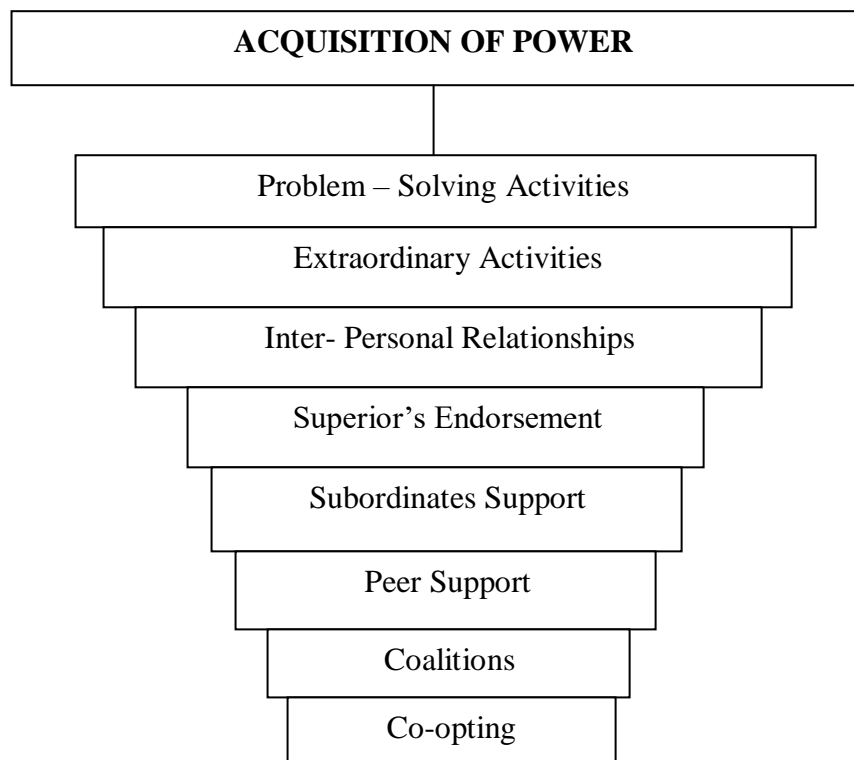
Fig. 6.1. Circumstances leading to acquisition of power

5. Getting the Subordinates' Support: A manager too must have the capacity to get the support of the subordinates to gain personal power. It may be mentioned here that the subordinates may not repose faith in all managers.

6.Obtaining Peer Support: As individual should also have the capacity to obtain the support of his equals to gain personal power. However efficient one may be, it is difficult to succeed within the organisation without the peer support.

7.Forming Coalitions: To pursue common goals, individuals do combine their potentials and resources to increase their capacity to influence. Political parties from coalitions to contest elections mainly to increase their bargaining power. A trade union is formed to increase the bargaining capacity of the workers.

8. Co-opting: It is a method of bringing together all those who are dissatisfied with a certain condition and involving them in the process of making things better. It specially seeks to eliminate threats and opposition from a certain group or section ('Co-optex' is an

organisation formed to safeguard the interests of handloom workers from the threat of competition from big power looms).

6.6 FACTORS DETERMINING THE ACQUISITION OF POWER

Every manager has a two dimensional power base. The first is the positional power by virtue of status in the organisation and the personal power because of personal characteristics and Knowledge. A Successful manager is that who has built up high positional as well as personal power base.

A. Acquisition of Positional Power: Whetton and Cameron have proposed some of the factors for building and enhancing positional power. These factors are:

1. Centrality: Centrality refers to activities which are central to organizations. Finance is central activity in the organization hence the finance manager holds power in excess of his authority. Finance manager further allocates funds to various departments. Department heads therefore also become powerful not because they can further allocate funds to their subordinates but because centrality of activity. Managers of various departments have power based on their departmental position. In addition they enhance their power position by virtue of opportunities they get to control activities that are central to the organization. This gives managers authority to control various units and sub-units.

2. Scarcity: When resources are in abundance there is no problem as everybody would get them based on their requirement. When resources become scarce, a person obtaining it will appear to be more powerful. Finance is a scares resource if a director of an institute manages to obtain additional funds from AICTE or by way of consultancy obviously he becomes more powerful in the eyes of management. Same is true of a faculty which may not be judged by efficiency of imparting knowledge but by obtaining finance for the institute from external sources.

3. Uncertainty: Management is related to planning for organization. It is basically related to identification of organizational objectives, evaluation of various alternatives and selection of best course of action and planning resources to put in action the course selected. Uncertainty

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of availability of required manpower with specific skills, raw material, finance can play havoc with the plans. There are situations when government policies change with the change government, that further makes situation more critical. A manager who has a vision and can appreciate what is likely to happen in future and takes corrective actions in advance obviously garner additional power.

According to Kanter most power goes to those people, in those functions, that provide greater control over what the organization finds currently problematic. For eg. sales and marketing people when markets are competitive, production experts when materials are scares and demand is high; personnel or labour relations specialists when government regulations impinge; finance and accounting types when business is bad and money tight. There is a turning to those elements of the system that seem to have the power to create more certainty in the face of dependency, and to generate a more advantageous position for the organization.

4. Substitutability: Greater the value of a person in the organization, the greater the power it holds. There are some people who amass power because of their speciality. By virtue of their contribution to the organization they become indispensable. However situation changes due to marketability of a particular brand of profession. Software engineer were in great demand in the organizations. They demanded high salaries and perks. They were indispensable a few years ago. As of now they have very restricted market for them. They could not be substituted by another person. What is important is that people have a tendency to take advantage of their specialization and high demand in the market and exploit organizations by using added amassed power.

B. Acquisition of Personal Power: Personal Power can be acquired and enhanced by enhancing individual traits. The following factors are as follows:

1. Expertise: A manager can enhance or acquire personal power through the expertise. Expertise can be gained by possession of special knowledge which can be gained by education, training and experience. Expertise can also be gained by information gained by having access to data and/or people.

2. Referent : Referent power contributes to a large extent to the personal power of the manager. The manager should have a charisma that attracts the subordinates to him and make them follow him in every

way. Pleasant personality characteristics, agreeable behaviour patterns and attractive postures enhance referent power.

3. Hard Work: A person who is hard working and sincere in his efforts will have more personal power because of this expertise and reference. A hard working person is perceived to know about the job and thus, most sought out for advice. A sincere person is always respected by the subordinates. Subordinates, generally, depend upon a hard working and sincere manager.

6.7 CHECK YOUR PROGRESS QUESTIONS

1) Spell out the meaning of Power.
2) Indicate the sources of Power.
3) What are the characteristics of power?
4) Identify the factors determining the acquisition of power.

6.8 SUMMARY

- Organisations operate by distributing authority and setting a stage for the exercise of power. Individuals who are highly motivated to secure and use power find a familiar and hospitable environment in business.

- Power and politics are important concepts in the study of Organisation Behaviour. Both power and politics are dynamic concepts and are a function of interaction between different elements in organisations.

- The Study of power is important in the corporate environment. Power depends from person to person and its use depends upon the attitude of an individual.

- Power is the ability to influence the behaviour of their people in the organisation and to get them to do what they otherwise would not have done.

- A person in an organizational setting can acquire power from two sources namely Interpersonal based sources and Organisation based sources.

- Interpersonal sources of power are based upon the inter - personal relationships between manager and subordinate and they are further sub divided into reward power, coercive power, legitimate power, referent power, expert power and information power. Organisational based sources of power is further

classified into knowledge as power, resource as power, decision making as power, power centers, and dependency.

- The characteristics of power are dependency, power is specific and reciprocal relationships.

- A person may acquire power under the following circumstances like indulging in problem-solving activities, performing extraordinary or unusual activities, developing interpersonal relationships, securing the superior's endorsement, getting the subordinates' support, obtaining peer support, forming coalitions and co-opting.

- Every manager has a two dimensional power base. The first is the positional power by virtue of status in the organisation and the personal power because of personal characteristics and Knowledge. A Successful manager is that who has built up high positional as well as personal power base.

6.9 KEY WORDS

Power: The ability or capacity to do something or act in a particular way.

Coercive: Coercive measures are intended to force people to do something that they do not want to do.

Reward: The return or yield from an investment is proportional to risk.

Legitimate: Acceptable or recognized as genuine, valid, or conforming to established codes, customs, rules or standards of conduct.

Reciprocal relationships: A mutual or cooperative interchange of privileges, especially the exchange of rights or privileges of trade betwe en nations.

Coalitions: A coalition is a government consisting of people from two or more political parties.

Uncertainty: It applies to predictions of future events, to physical measurements that are already made, or to the unknown.

Scarcity: Ever present situation in all markets whereby either less goods are available than the demand for them. This universal phenomenon leads to the definition of economics as the science of allocation of scarce resources.

Peer Support: Peer support occurs when people provide knowledge, experience, emotional, social or practical help to each other.

Expertise: Basis of credibility of a person who is perceived to be knowledgeable in an area due to his or her study, training, or experience in the subject matter.

6.10 ANSWERS TO CHECK YOUR PROGRESS

1. Power is the ability to influence the behaviour of their people in the organisation and to get them to do what they otherwise would not have done.

2. A person in an organizational setting can acquire power from two sources namely Interpersonal based sources and Organisation based sources.

3. The characteristics of power are as follows: dependency, power is specific and reciprocal relationships.

4. Whetton and Cameron have proposed some of the factors for building and enhancing positional power. These factors are: Centrality, Scarcity, Uncertainty and Substitutability. Personal Power can be acquired and enhanced by enhancing individual traits. The following factors are as follows: Expertise, Referent and Hard Work.

6.11 QUESTIONS AND EXERCISES:

Short Questions:

1. Define Power.
2. What is coercive Power?
3. State the Organisational based sources of power.
4. Mention the circumstances leading to acquisition of power.
5. How personal power can be acquired?

Long Questions:

1. Explain the characteristics of Power.
2. Enumerate the circumstances leading to acquisition of power.
3. Discuss the factors determining the acquisition of power.

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UNIT VII EFFECTIVE USE OF POWER

Structure

7.0 INTRODUCTION

A manager seeking to get things done in a group or organisation needs power. People may tend to misuse power. Power abused will have serious dysfunctional consequences, both for the individual and for the organisation. Effective use of power is however, a challenge for managers and employees alike. Power needs to be used in such a way that the needs of the organisation and of the employees are properly met. Power is easy to feel but difficult to define. It is the potential ability of a person or group to influence another person or group. It is the ability to get things done the way one wants them to be done. Both formal and informal groups and individuals may have power; it does not need an official position or the backing of an institution to have power. Influence can take many forms. One person has influenced another if the second person's opinions, behavior or perspectives have changed as a result of their interaction. Power is a factor at all levels of most organizations. It can be a factor in almost any organizational decision.

Nowadays, in organizations, politics is a reality. In the situations where various individuals or groups live or work together, Organisational politics is always prevalent. The influence of politics

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does not fade away even though most of the individuals want to eliminate it. The different manners in which various individuals and groups try to secure and strengthen their position in the organisation through utilization of power can be referred to as organizational politics. In this, various people and groups secure and reinforce their self – interests by using intended actions to impact others.

7.1 OBJECTIVES

After studying this unit, you can

- Analyse the use of power.
- Interpret the precautions to be followed at the time of effective use of power.
- Understand the tactics to gain power.
- Familarise with the concepts of organisational Politics.
- Know the consequences of organisational Politics.

7.2 EFFECTIVE USE OF POWER

If the use of power is not carefully managed, powerful individuals tend to exploit those with less power and substitute their self interests for the legitimate interests of the organisation. Managers and employees can use power effectively in the following manner:

- Managers and employees understand both the interpersonal and structural sources of power and the most effective methods of using them to influence people. They tend to develop and use a wide variety of power sources and influence strategies.

- Managers understand the nature of the exchange process influencing strategies. Managers and employees are conscious of the fact that, overtime, reciprocal exchanges are a must and in their absence, hard feelings will result and the ability to influence others will decline.

- They know what desirable behaviour is and what undesirable behaviour in acquiring and using power. Power is a double – edged sword. The misuse or lack of misunderstanding of a source of power can destroy its effectiveness. If used effectively, power can be instrumental in bringing about organizational effectiveness.

- The managers and the employees seek positions that allow the development and use of power. They chose the jobs that involve the crucial issues and concerns of an organisation.

- They use maturity and self control in applying their power. They understand that their actions influence the behaviour of others. Managers use power that benefits the organisation, rewards honest employees and punish guilty.

7.3 TACTICS TO GAIN POWER

There are several tactics which individuals and groups can use to gain power in an organsiation. Recent research indicates that these are standardized ways by which power holders attempt to get what they want. Power tactics are used by the employees to translate their power bases into specific actions. The important tactics used by people to gain power are as follows:

1) Bargaining: Bargaining is the use of negotiations through the exchange of benefits or favours. The party having greater bargaining power is able to get more benefits than the sacrifices made. Collective bargaining agreements between labour and management are the result of negotiations.

2) Friendliness: A person can gain power over another person by the use of flattery, creation of goodwill, acting humble and being friendly prior to make a request.

3) Coalition: Coalition is the temporary alliance of two or more individuals or groups who combine their efforts and energy for the common goal. By forming a coalition, the members are able to increase their powers over groups not in their coalition. Coalitions are generally used in organisation for having influence on setting of goals and distribution of benefits to the constituents.

4) Competition: Due to the scarcity of the resources in the organisation, various groups compete witheach each other to have a greater share of such resources. For this, they try to influence the criteria used as the basis of resource distribution in the form of funds, space, support staff etc. Each group argues for those criteria which are likely to fetch it more power.

5) Cooptation: Under the scheme of Cooptation a group gives some of its important positions of members of the other groups or include them in its policy making committee. Hence the criticism and threats from those other groups are blunted. For example, Corporations generally include representatives of the financial institutions in their board of directors, in order to maintain stable relationships with the financial institutions.

6) Reason: A person can use reasoning to gain power over others. Reasoning consists of use of facts and data to make a logical or rational presentation of ideas.

7) Assertiveness: Assertiveness is the use of direct and forceful approach. The manager may demand strict compliance with requests repeating orders, ordering individuals to do what is asked and pointing out that rules require compliance.

8) Higher Authority: Some managers may gain the support of higher levels in the organisation to back up their requests to their subordinates.

9) Sanctions: Sanctions consist of traditional reward and punishment method. A person can gain power over another person by preventing or promising a pay rise, by demoting or promoting a person or by threatening to give an unsatisfactory performance appraisal.

10) Pressure: Pressure tactics are a part of power struggle in modern organisations. It is a hostile method of gaining power. For example, the trade unions may threaten strikes if their demands are not met by the management. On the other hand, management may threaten a lock out in the factory, if the trade unions do not accept its terms.

7.4 MEANING AND DEFINITION OF ORGANISATIONAL POLITICS

Organisational politics is often called "power" in action. All groups or organizations are equally political. In some organizations, for instance, politicking is overt and rampant, while in others politics plays a small role influencing outcomes. Politics implies gaining power and influence and using them for personal benefit. People indulge in politics to acquire power, defeat others and hold in dominating position. Those involved in politics seek to change situations in their favour and influence others for personal gain. Politics is a natural occurrence in organizations and can not be prevented or avoided. Most of the managers do not give any importance to these organizational politics at their own risk. Though the managers must avoid getting indulged in the routine conspiracies of politics, they should develop a clear and comprehensive method to manage these politics in order to have information about the happenings of the organisation.

Tushman defines politics as follows "Politics refers to the structure and process of the use of authority and power to effect definition of goals, direction and the other major parameters of the organisation. Decisions

are not made in a rational or formal way but rather through compromise, accommodation and bargaining"

Stephen P. Robbins defines political behaviour in organisations as those activities that are not required as part of one's formal role in the organisation, but that influence, or attempt to influence, the distribution of advantages and disadvantages within the organisation.

Allen states, "Organisational politics involves intentional acts of influence to enhance or protect the self interests of individuals and groups".

According to **Farrel and Patterson**,"Organisational politics refers to those activities that are not required as part of one's formal role in the organisation, but that influence, or attempt to influence, the distribution of advantages and disadvantages within the organisation".

According to **Drory and Romm**, " Organistaional politics refers to intentional behaviours that are designed to enhance or protect a person's influence and self interest".

According to **Mayers and Allen**, "Organisational politics is the management of influence to obtain ends not sanctioned by the organisation or to obtain sanctioned ends through non – sanctioned means".

7.5 REASONS FOR ORGANISATIONAL POLITICS

The reasons for organisational politics are explained in the following:

(1) Struggle for Power: Every individual in the organisation wnts to have power in their hands. This struggle for power often becomes the reason behind organisational politics.

(2) Differences among Individuals: There are enduring differences among individuals and groups in their values, preferences, beliefs, information , and perceptions of reality.

(3) Conflict: Conflict is central to organizational dynamics which generally leads to organizational politics.

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(4) Jealousy: This is largely common among peers and colleagues in same departments or different departments of the same organisation and leads to politics.

7.6 FUNCTIONS OF ORGANISATIONAL POLITICS

Organisational politics help the people in the organizations to adopt to the organizational goals and helps the organisation to succeed in ways that the formal structure alone cannot guarantee. Organisational policies add life to the organisation. Some of the important functions of organisational politics are as follows:

1) To Overcome Employees Inadequacies: Organisational politics provides a mechanism for circumventing the inadequacies in the employees and getting the jobs done. These inadequacies generally relate to mismatching of people and positions in the organizations.

2) To cope with Change: A major problem for the organisations is to cope with changes in the environment and technology. Organisational politics can help in identifying such required problems and move ambitious, problem solving managers into the crisis before minor problems become catastrophes.

3) To Channel Personnel Contracts: Manaagers need to influence the individuals working throughout the organisation, though in larger organizations, it becomes very difficult to know each and every person working in it. This necessary access is provided by the political network.

4) To substitute for Formal Authority: Managers may use political behaviour to maintain operations and achieve task continuity in circumstances where the failure of formal authority may otherwise cause problems.

5) To act in Darwinian way: The system of politics act in Darwinian way to ensure that the strongest members of the organisation are brought into position of leadership.

6) Execution of Decisions: The system of politics can pave path for the execution of decisions.

7) To ensure Full Debate: The system of politics should ensure that all sides of an issue are fully debated, whereas the other systems of influence tend to promote only one.

7.7 DETERMINANTS OF ORGANISATIONAL POLITICS

Research studies have identified a number of factors that appear to encourage political behaviour. Some are individual characteristics, derived from the unique qualities of the people the organisation employees; others are a result of the organization's culture or internal environment. Both individual and organizational factors can increase political behaviour and provide favourable outcomes for both individuals and groups in the organization.

(A) Individual Factors: At the individual level, researchers have identified certain personality traits, needs, and other factors that are likely to be related to political behaviour. A few of the prominent individual factors causing political behaviour are s follows:

1. Need for Power and High Expectations of Success: This need for power accompanied by high expectations of success refers to the basic desire to influence control and lead others, be successful and have control over environment. Effective managerial behaviour, equal treatment of subordinates and even high morale among employees can easily be associated with individual's high need for power and higher expectations of Success. This will help in creating a good work climate or culture for effective work and also help to develop subordinates understanding and loyalty to the organisation.

2. Locus of control: It is the extent to which people believe that they can control events which affect them. Individuals can either have a high internal locus of control or a high external locus of control. Those individuals with a high internal locus of control hold of belief that events result primarily from their own behaviour and are likely to engage in a political behaviour in an attempt to influence other people.

3. Machiavellianism: Machiavellians are people who use deceit and opportunism in interpersonal relations and manipulate others for their own purpose. It can be said that Machiavellianism can help to predict

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Individual Factors		Organisational Factors

Individual Factors

- Need for power and high expectations of success.
- Machiavellianism.
- Locus of control.
- Risk seeking propensity based on investment in the organisation and alternative job opportunity.

Politicking Behaviour

Outcomes

Reward

Avoid punishment

Organisational Factors

(a) Situational

- Re – allocation of resources.
- Opportunity for promotion
- Low trust within.
- Role ambiguity.
- Performance evaluation system

(b) Culture

- Win-lose approach
- Excess pressure to perform.
- Managers unwilling to share information.

Fig.7.1. Determinants of Organisational Politics

political behaviour in many organizational situations. This statement is baased ona study which was carried out to examine the relationship between a propensity to engage in ploitiacl behaviour in organizations and the many individual differences. Machiavellianism can easily be sid to be the strongest correlate of political behaviour among the variables investigated.

4**. Risk seeking propensity based on investment in the organisation and alternative job opportunities:** There are marked individual differences in their willingness to take risks or in their risk seeking prosperity. Some individuals can be described as risk avoiders while others are risk seekers. Negative outcomes like low performance ratings, demotions etc., can be the risks associated with persons who

engage in political behaviour in an organisation. Also the more an individual has invested in the organsiation in expectations of increased future benefits, the less likely to engage in political behaviour.

(B) Organisational Factors: Political activity is probably more a function of the organization's characteristics than of individual difference variables. Because many organizations have a large number of employees with the individual characteristics, yet the extent of political behaviour varies widely. When organizations downsize to improve efficiency, reductions in resources have to be made. Threatened with the loss of resources people may engage in political actions to safeguard what they have. But any changes, especially those that imply significant reallocation of resources within the organization are likely to stimulate conflict and increase politicking.

Even though there are many individual characteristics which can cause political activity, there are certain situations and organisational cultures which promote politics.

(i) Situational factors: The organisational situational factors can promote political behaviour among employees. Situational factors in an organisation is summarised as follows:

- **Re-allocation of Resources:** When organisations downsize to improve efficiency through reallocation of resources within the organisation, these changes may stimulate conflict and increase politicking.

- **Opportunity for promotion:** People resort to political behaviour so as to grab opportunity for advancement or promotion.

- **Low trust:** A low trust within the organisation could increase the level of political behaviour in general, which could also be of the illegitimate kind.

- **Role Ambiguity:** When employees experience role ambiguity in the scope and functions to be performed in the formal set up, the more they are likely to engage in political activity which may not be easily visible.

- **Performance Evaluation System:** The type of performance evaluation system used can also result in political activity. For instance, when subjective criteria are used for appraisal or there is more time gap between appraisal and action then the employees may indulge in political behaviour.

(ii) **Organisation Cultural Factors:** There are certain organisation cultural practices which can result in organisational politicking. Organisation Cultural Factors are as follows:

- **Win-Lose Approach:** When organisation's culture advocates using a lose-others win approach to reward allocation, more the employees will be motivated to engage in political activity.
- **Excess pressure to perform:** Excess pressure on employees to perform well, with strict accountability for outcomes may force the employees to indulge in politicking, since their entire career is at stake.
- **Managing unwilling to share Information:** More experienced and older managers may not be ready to wholeheartedly accept sharing of the decision making process with their subordinates. They may try manipulating the decisions in a superficial way so as to retain legitimate process.
- **Politicking by top management:** If a climate of politicking by top management exists in the organisation, then it could convey an open invitation to the employees that such (politicking) behaviour is acceptable.

7.8 CONSEQUENCES OF ORGANISATIONAL POLITICS

Organisational politics usually has an adverse effect on the organisation. At times it may be beneficial too. For example, if politics can help to get rid of an unjustified strike plan by employees or counter unwarranted competitors' allegations, it is beneficial of the organisation. Politics has an adverse effect on the organisation if it damages its image or enables a corrupt person to acquire a key position in the organisation and so on. The several consequences of politics on organisation as well as employees are as follows:

1. **Reduces Concentration on work:** The people playing politics are more interested in impairing the image of other individuals in front of superiors. So, it becomes difficult for them to focus their attention on work.
2. **Spoils Ambience:** Politics harms the relationships between people. Thus, it results in an unfavourable environment at the work area. Those people are hated by everyone who plays politics in the organisation.

3. **Diminishes Overall Productivity:** The productivity of an individual is reduced and ultimately the output of the organisation is affected by the politics. A lesser amount of concentration is paid by the people towards their work who play politics in work area. Employees are not able to attain their objectives within a specified period of time due to the politics at the work area. Thus, in such organisations, works gets postponed.

4. **Changes Attitude of Employees:** The politics in organisation does not permit its employees to work with heart and soul. Politics affects the employee's attitude, and the committed employees also fail to work with concentration and attend office only for the political purpose. A politically driven organisation does not take into consideration the level of hard work invested by the employees.

5. **Demotivates employees:** The employee who plays politics gets reward even, if he does not work hard. But on the other hand, the employees who are really hard working and deserving are not rewarded properly because the employees who indulge themselves in politics continuously look for a chance to spoil the image of such hard working employees. Thus, it is very important in organisations to take out the best employee out of the available ones.

6. **Enhances Stress:** It becomes difficult for people to tell their colleagues about a secret or private matter, because they a fear of getting the secrets disclosed. They also decline to believe each other. This increases the level of stress in the minds of the employees.

7. **Gives Wrong Information:** The information is misrepresented by the workers who are involved in politics. Due to this, the information never reaches the destination in its anticipated manner. Thus, bias does not get a clear and actual view of what is really occurring in their organisation.

7.9 MANAGING POLITICAL BEHAVIOUR

Though it is virtually impossible to eliminate political behavior in organizations, it is possible to reduce it, if a manager understands the reasons for it and the techniques of political behavior. Politics when carried to the extreme can damage morale, create enemies, destroy loyalty, damper co-operative spirit and much time and energy is spent

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planning attacks and counter attacks which are detrimental to organizational health. The political behaviour in an organisation is impossible to be eliminated. The efforts should be made to restrict in such a manner as to limit dysfunctional aspects. Politics when carried to the extreme can have lots of negative aspects. Some of the steps that can be taken for constraining political activities are as follows:

1. Ethical and Positive Role Model: If the manager himself plays political games, he conveys a message to the subordinates, that such behaviour is acceptable. Hence, top management should provide a positive and ethical role model themselves. They should make it clear to subordinates that such political games will not be accepted which are deterimental to employees morale and organizational climate. Lower level employees will accept or ignore politics only if the top management does so.

2. Open and Honest Communication: A person becomes politically powerful if he controls the confidential information. If the communication system in the organisation is open and honest, political behaviour can be constrained. If necessary information is available to all the people relating to the availability and allocation of scarce resources, then it would not be necessary for people to engage in political behaviour to acquire or control the information.

3. Elimination or Reduction of Uncertainty: Uncertainty in the Organisations may provide the basis for political plays. If the overall objectives of the organisation and the individual goals are ambiguous and changes are not made known to the people, then there will be more politics in the organisation. Participative decision making and provision of all the relevant information to the subordinates at the appropriate time will reduce the necessity of poltical game play. Employees must be clear about the organisation as well as their individual goals.

4. Study the Political Behaviour: The top management should make a study of the psychology and philosophy of the political behaviour prevalent in their organisation. This knowledge will help the top management in constraining the political behaviour when it occurs as well as anticipating and taking appropriate steps to avoid it from occurring. Thus, management can minimize the effects of political behaviour by being aware of the causes and techniques of such behaviour.

5. Reciprocity: It is good to help others. Accordingly, recognize those members of the organization who will be more powerful in future. Help them so that they reciprocate the same when you need their support.

6. Persuasive: It is necessary to develop a persuasive technique to get the job done. Forceful agreements when stated eloquently are often highly influencing. It improves your image and substantial pay offs in a future time.

7.10 CHECK YOUR PROGRESS QUESTIONS

1) What do you understand by Coalition?

2) Define Organisational Politics.

3) Indicate the reasons for Organisational Politics.

4) Spell out the individual factors influencing Organisational Politics.

5) Point out the steps to taken to manage political behaviour

7.11 SUMMARY

- A manager seeking to get things done in a group or organisation needs power. People may tend to misuse power. Power abused will have serious dysfunctional consequences, both for the individual and for the organisation.
- Effective use of power is however, a challenge for managers and employees alike. Power needs to be used in such a way that the needs of the organisation and of the employees are properly met.
- If the use of power is not carefully managed, powerful individuals tend to exploit those with less power and substitute their self interests for the legitimate interests of the organisation.
- Managers and employees understand both the interpersonal and structural sources of power and the most effective methods of using them to influence people. They tend to develop and use a wide variety of power sources and influence strategies.
- Managers understand the nature of the exchange process influencing strategies. Managers and employees are conscious of the fact that, overtime, reciprocal exchanges are a must and in their absence, hard feelings will result and the ability to influence others will decline.

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- There are several tactics which individuals and groups can use to gain power in an organsiation. Recent research indicates that these are standardized ways by which power holders attempt to get what they want. Power tactics are used by the employees to translate their power bases into specific actions.
- The important tactics used by people to gain power are as follows: bargaining, friendliness, coalition, competition, cooptation, reason, assertiveness, higher authority, sanctions and pressure.
- Politics is a natural occurrence in organizations and can not be prevented or avoided. Most of the managers do not give any importance to these organizational politics at their own risk.
- Though the managers must avoid getting indulged in the routine conspiracies of politics, they should develop a clear and comprehensive method to manage these politics in order to have information about the happenings of the organisation.
- Politics refers to the structure and process of the use of authority and power to effect definition of goals, direction and the other major parameters of the organisation. Decisions are not made in a rational or formal way but rather through compromise, accommodation and bargaining.
- The reasons for organisational politics are explained in the following: Struggle for Power, Differences among Individuals, Conflict, and Jealousy.
- Organisational politics help the people in the organizations to adopt to the organizational goals and helps the organisation to succeed in ways that the formal structure alone cannot guarantee.
- Organisational policies add life to the organisation. some of the important functions of organisational politics are as follows: to overcome employees inadequacies, to cope with change, to channel personnel contracts, to substitute for formal authority, to act in darwinian way, execution of decisions, and to ensure full debate.
- Organisational politics usually has an adverse effect on the organisation. At times it may be beneficial too. For example, if politics can help to get rid of an unjustified strike plan by employees or counter unwarranted competitors' allegations, it is beneficial of the organisation.

- Politics has an adverse effect on the organisation if it damages its image or enables a corrupt person to acquire a key position in the organisation and so on.

- The several consequences of politics on organisation as well as employees are as follows: reduces concentration on work, spoils ambience, diminishes overall productivity changes attitude of employees, demotivates employees, enhances stress, and gives wrong information.
- Politics when carried to the extreme can damage morale, create enemies, destroy loyalty, damper co-operative spirit and much time and energy is spent planning attacks and counter attacks which are detrimental to organizational health.
- The political behaviour in an organisation is impossible to be eliminated. The efforts should be made to restrict in such a manner as to limit dysfunctional aspects.
- Politics when carried to the extreme can have lots of negative aspects. Some of the steps that can be taken for constraining political activities are as follows: ethical and positive role model, open and honest communication, elimination or reduction of uncertainty, study the political behaviour, reciprocity and persuasive.

7.12 KEY WORDS

Dysfunctional: Dysfunctional is used to describe relationships or behaviour which are different from what is considered to be normal.

Bargaining: Bargaining is a type of negotiation in which the buyer and seller of a good or service debate the price and exact nature of a transaction.

Cooptation: It refer to the process of adding members to an elite group at the discretion of members of the body, usually to manage opposition and so maintain the stability of the group.

Circumventing: To avoid something, especially cleverly or illegally.

Formal Authority: The right to acquire action of others is known as authority. The authority, which originates from the placement of a person in the organisation is called formal authority.

Darwinian way: A theory that inherent dynamic forces allow only the fittest persons or organizations to prosper in a competitive environment or situation.

Locus of control: It is a psychological concept that refers to how strongly people believe they have control over the situations and experiences that affect their lives.

Machiavellianism: Machiavellians are people who use deceit and opportunism in interpersonal relations and manipulate others for their own purpose.

Ambiguity: The fact of something having more than one possible meaning and therefore possibly causing confusion.

Politicking: It is used to describe someone's political activity and they may engage to gain votes or personal advantage for themselves.

Ambience: The ambience of a place is the character and of the atmosphere.

Reciprocity: Exchange of equal or identical advantages or privileges, such as removal of traveling restriction between two countries.

7.13 ANSWERS TO CHECK YOUR PROGRESS

1. Coalition is the temporary alliance of two or more individuals or groups who combine their efforts and energy for the common goal.

2. Politics refers to the structure and process of the use of authority and power to effect definition of goals, direction and the other major parameters of the organisation. Decisions are not made in a rational or formal way but rather through compromise, accommodation and bargaining.

3. The reasons for organisational politics are explained in the following: Struggle for Power, Differences among Individuals, Conflict, and Jealousy.

4. At the individual level, researchers have identified certain personality traits, needs, and other factors that are likely to be related to political behaviour. A few of the prominent individual factors causing political behaviour are s follows: need for power and high expectations of success, locus of control, machiavellianism and risk seeking propensity based on investment in the organisation and alternative job opportunities.

5. Politics when carried to the extreme can have lots of negative aspects. Some of the steps that can be taken for constraining political activities are as follows: ethical and positive role model, open and honest communication, elimination or reduction of uncertainty, study the political behaviour, reciprocity and persuasive.

7.14 QUESTIONS AND EXERCISES

Short Questions:
1) What do you mean by Cooptation?
2) How to use the power effectively in an organisation?
3) Define Organisational Politics.
4) What are the consequences of Organisational Politics?

Long Questions:
1. Explain the tactics to be observed to gain power.
2. Discuss the functions of Organisational Politics.
3. Enumerate the determinants of Organisational Politics.
4. Discuss the methods to manage political behaviour in an organisation.

7.15 SUGGESTED READINGS:

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UNIT VIII ORGANISATIONAL STRESS AND CONFLICT MANAGEMENT

Structure

8.0 INTRODUCTION

In the present complex and competitive environment stress level is increased both in the workers and managers. Recent research has shown that stressed managers are not good to the management. Thus stress reduces efficiency, productivity and profitability. Stress is physical, mental and chemical reasons to circumstances that frighten confuse and irritate. Stress is the general term applied to the pressures people feel in life. The presence of stress is almost inevitable in many jobs. Work Stress or job stress involves series of worker's responses, when he is required to meet the demands that do not match his knowledge, skills or abilities and test his capacity to cope with these stresses. These demands may either be quantitative demands, which are related to time or the amount of work, cognitive demands associated with the complexity of the work and the emotional demands which requires the person to show empathy at work. There may be physical demands as well related to stationary loads.

Stress is the reaction of an individual against the troubling factor of his surroundings. Stress is a flexible reaction to an external condition and leads to physiological, emotional and behavioural variations. Stressors are physiological or mental demands that arise from the

surroundings and lead to stress. Stressors produce tension or the possibility for tension, when an individual feels that any particular demand is far greater that his ability. Stress arises when a person is unable to meet the demands of the situation owing to this meantal and/or physical incapacity. It also arises when external environment is not conductive for a person to discharge his duties. A person is prone to stress conditions when he has to encounter critical situations often in his life.

8.1 OBJECTIVES:

After studying this unit, you can

- Able to interpret the meaning of 'Stress'.
- Understand the nature of stress
- Analyse the consequences of stress
- Identify the methods of managing stress in an organisation.

8.2 MEANING AND DEFINITION OF STRESS

A person undergoes stress when he feels that he is ill-equipped to carry out the tasks assigned to him. Not everyone undergoes stress in a workplace. It is also not possible to explain precisely the situation that would give scope for stress because many individuals are capable of performing their tasks irrespective of the work situation. The vindictive attitude of the management can lead to the problem of stress, it may not hold good always because many employees may be able to work with ease despite the vindictive approach of the management.

The problem of stress is not peculiar to a formal workplace like an office or business establishment. Stress may be physical or mental. Total absence of stress may affect performance. A person needs to undego a certain level of stress to perform well. Excessive stress is harmful. When stress exceeds a certain level, it can have adverse effect on a person's emotions, mental and physical health.

According to **Davis**, "Stress is a condition of strain on one's emotions, thought processes and physical conditions".

According to **Steinberg and Titzmann**, "Stress can be defined as an underload or overload of matter, energy or information input to, or output from, a living system".

According to **Matterson,** "Stress is an adaptive response, mediated by individual characteristics and psychological processes that is a consequence of any external action, situation or event that places special physical and psychological demands upon a person".

According to Newman, "Job stress is a condition arising from the interaction of people and their jobs and characterized by changes within people that force them to deviate from their normal functioning".

According to Fred Luthans, "Stress is an adaptive response to an external situation that results in physical, psychological, and/or behavioural deviations for organizational participants".

8.3 NATURE OF STRESS

Stress influences the emotions, behaviour and health of people. The presence and level of stress depends on how a person perceives and interprets a situation.

1) **Personal:** Stress is not a situation or event but a person's reaction to a situation or event. Different individuals have different responses to stress. Those who are dynamic, capable and enthusiastic are able to handle stress in a better manner.

2) **Common to all:** People in all walks of life faces stress. Whether it is students, business people, workers, supervisors, managers and professionals everybody faces stress.

3) **Impact:** Stress has both psychological and physiological impact. It affects the physical health and mental state of a person. Stress causes tension.

4) **Issue:** stress is an important issue which has to be tackled. Stress management is essential foe effective human resource management.

5) **Different forms:** It is expressed in different forms such as tension, boredom, anger, violence, lack of interest and ill health.

6) **Different way of Handling:** The effect of stress is not the same in all persons. Each person handles stress in different manner. If ten people work together in a stressful assignment, each person may handle stress in their unique way.

7) **Personal:** A person's physical and mental state is more responsible for causing stress rather than situational factors. Personal factors play a primary role and situational factors play only a secondary role.

8) **Essential and desirable:** Stress ned not always have negative effects. stress within acceptable limits motivates people to perform better and improves employee engagement.

9) **Causative Factors:** Stress can be caused by family reasons, professional reasons, health reasons, financial reasons etc. The factors that cause stress in organizations are pressure to perform, lack of clarity in policies, procedures, rules, roles and responsibilities etc.,

10) **Management of stress:** Stress can be managed and controlled. Individual measures to measure stress are changes in lifestyle, exercise,

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yoga, meditation etc., Organisational measures are change in job design, flexible work arrangements etc.

8.4 TYPES OF STRESS

Depending on features, stress can be classified as follows:

1) Eunstress: Eunstress is an optimistic and active reaction to the stress which helps in the development of people. It helps in energizing and inspiring the individuals so that they can achieve their respective aims, brings about considerable changes in their surroundings and deal with difficulties of life. It also helps the people to formulate new and innovative ways of managing their work. So,this type of stress is essential for survival and well-being of human beings.

2) Neustress: Neustress is neither good nor bad. Its effect on an individual is neutral and it neither provides motivation nor causes any harm. It occurs when a person is exposed to a situation which has no direct effect on him.

3) Distress: Distress is a pessimistic and inactive reaction to the stress. It indicates tremendous level of stress in a person which negatively affects his performance and productivity. Mistakes will reoccur consistently, wrong decisions will be taken and the individual has to bear many problems like sleeplessness, stomach related problems, mental or emotional illnesses.

Distress is two types:

i) Acute Stress: Short-term stressor leads to acute stress. It evolves all of a sudden, is extremely sharp, and vanishes rapidly. For example, if a person is going on an evening walk, then all of a sudden, a big and shabby dog leaps out of the bushes, making a growling sound with its exposed teeth, this may lead to acute stress. Acute stress can be full of excitement and stimulation when given in small doses, but if it comes in large doses, it may become irritating.

ii) Chronic Stress: This stress is the long-term stress resulting from the prolonged irritating problems. This type of stress keeps coming back with the passage of days and years. Chronic stress can be due to ever increasing credit card debts, long-term health ailments, emotionally exhausting relationships, or an exhausting job. Chronic stress results from unavoidable demands and pressures that go on continuously.

4) Hyper stress: Excessive amount of stress which is beyond what a person can handle is hyper stress. Generally people who are over worked or overloaded with work face hyper stress. If a person is facing

hyper stress even minor stressors can trigger strong responses. Generally employed women who have to manage pressures at work and family face hyper stress. Hyper stress has a negative impact on the health and well being of a person.

5) Hypo stress: A person who performs a monotonous job experiences hypo stress. If a person goes to work every day at the same time, same place, and performs the repetitive task he would experience hypostress. It causes dullness, lazyness, restlessness, frustration etc.

8.5 POTENTIAL SOURCES OF STRESS

The potential Sources of Stress can be summarized as follows:

1.   **Environmental Factors:** The environmental uncertainty influences the design of the organisation's structure, it also influences stress levels among employees in that organisation. Changes in the business cycles create economic uncertainties. When the economy is contracting, people become increasingly anxious about their security, Political uncertainty also is the probable sources of stress. New innovations can make employee's skill and experience obsolete in a very short period of time. Techonological uncertainty is thus a factor which causes stress.

2.   **Organisational Forces**: There is no storage of factors that causes stress. Pressures to avoid errors or complete task in limited time period, work overload, a demanding & insensitive superior and unpleasant co-workers are a few examples.

a) Task demands: Task demands are factors related to a person's job. They include the design of the individual's job (autonomy, task variety, degree of automation), working conditions and the physical work layout. Assembly lines can put pressure on people when there is. Autonomy, on the other hand, tends to the more interdependence between a person's tasks and other hand, tends to lesson stress. Jobs where temperatures, noise, or other working conditions are dangerous or undesirable can increase anxiety.   So too, can working in an overcrowded room in a visible location where interruption are constant.

b) Role demands: Role demand relates to pressures placed on a person as a function of the particular role he or she plays in the organisation. Role conflicts create expectations when the employee is expected to do more than time permits. Role ambiguity is created when role expectations are not clearly understood and the employee is not sure what he or she is to do.

c) **Interpersonal demands:** Interpersonal demands are pressure created by others employees. Lack of social support from cal leagues and poor interpersonal relationships can cause considerable stress, especially among employees with a high social need.

d) Organisation Leadership: Organisation leadership represents the managerial style of the organisation's senior executives. Some chief executive officers create a culture characterised by tension, fear and anxiety. They establish, unrealistic pressures to perform in the short run impose excessively tight controls and routinely fire employees.

3. **Individual Factors:** These factors include family issues, personal economic problems and inherent personality characteristics:

a) **Family issues:** Family issues which cause stress are the marital difficulties, the breaking off a relationship and discipline troubles with children that create stress for employees and that aren't left at the front door when they arrive at work.

b) **Economic Problems:** Economic Problems created by individuals overextending their financial resource is another set of personal troubles that can create stress for employees and distract their attention from their work.

Besides that some people may have an inherent tendency to accentuate negative aspects of the world in general. A significant individual factor influencing stress is a person's basic dispositional nature. That is stress symptoms expressed on the job may actually originate in the person's personality.

8.6 CONSEQUENCES OF STRESS

Stress can result in numerous positive and negative consequences. Results of positive stress are more energetic, full of zeal and inspirational. The negative results of stress are more annoying and more attention. Stress can lead to both individual and organisational consequences.

A) Individual Consequences of Stress: Stress makes the life of a person more exciting. A person can be freed from stress only after his death. Stress gets converted into distress when people feel insecure. Stress can produce following consequences:

1. Behavioural Consequences: These reactions can harm the person under stress or others around him. An example of such behaviour is smoking. A research has found that people with smoking habit have a tendency to smoke more while they are under tremendous stress. There

are many other probable behavioural results such as proneness to accidents, indulging in violence with others and irregular eating habits.

2. Psychological Consequences: These reactions are related to the mental health of an individual. When people are extremely tensed at the workplace, they have a tendency to become discouraged or may have sleeping disorder i.e. insomnia. Stress also causes weariness, problems in marital relations and other family related problems.

3. Physiological/Medical Consequences: These reactions affect an individual's physical health. Stress is associated with heart-related disorders such as heart attack. Other usual health-related illnesses are back pain, headaches, ulcers, stomach related problems, intestine disorders, skin problems like pimples and rashes.

B) Organisational Consequences of Stress:

Stressed individual influences an organisation both directly and indirectly. In particular, the organisation is affected by individual stress in following ways:

1) Decline in Performance: Decrease in performance is a visible indicator of stress. In case of operating workers, such performance can be identified through low output and decrease in quality of work. In case of supervisors, it can be identified through defective decision-making or unhealthy relationship with labourers.

2) Change in Attitude: It is believed that along with enthusiasm to perform efficiently, satisfaction at job, self-esteem and commitment towards work also gets affected by stress. Therefore, people may be more inclined to criticize about the worthlessness of work, perform only to their least ability to sustain their living and so on. Hence, bringing about a change in their attitude.

3) Withdrawal Behaviour: Absence from work and turnover are the outcomes of stress at the workplace. At times, absenteeism may be genuine and legitimate, such as illness, jury duty, or death of someone in the family. But sometimes, the employee claims falsely that his absence was due to legitimate reasons and instead stays at home.

When an employee is absent, whether it is legitimate or not, the organisation suffers and the work is hampered or the substitute is hired to do the pending work. In both cases, the quantity or quality of actual production is likely to suffer. It is quite clear, that genuine absenteeism is inevitable, but the organizations try hard to overcome artificial absenteeism and also try to reduce the legitimate absence, in the best possible manner.

8.7 METHODS OF MANAGING STRESS

Stress is a factor that everybody has to contend with on a daily basis both in the work and non-work spheres of life. Since the body has only a limited capacity to respond to stress, it is important for individuals to optimally manage their stress level to operate as fully functioning human beings. There are several ways in which stress can be handled so that the dysfunctional consequences of stress can be reduced. Some of them are:

Role Analysis Technique (RAT): The Role Analysis Technique helps both the manager and the employee to analyze the requirements and expectations from the job. Breaking-down the job into various components clarifies the role of the job for the entire system. This also helps to eliminate reduction of work and thus lowering down the stress level.

Job Relocation: Job relocation assistance is offered to employees who are transferred, by finding alternative employment for the spouses of the transferred employees and getting admissions in schools for their children in the new place. These arrangements help to reduce the anxiety and stress for the moving family.

Recreational Program: Providing recreational facilities, arranging group meditation programs, help to reduce the stress levels of the employees.

Employee Assistance Program: Another widely used strategy is the employee assistance Programs, which offer a variety of assistance to employees. These include counseling employees who seek assistance on how to deal with alcohol and drug abuse, handling conflicts at the work place, dealing with marital and other family problems.

Career Counseling: Career Counseling helps the employee to obtain professional advice regarding career that would help the individual to achieve personal goals. It also makes the employees aware of what additional educational qualifications or specialized technical training, if any, (hat they should acquire. By becoming knowledgeable about the possible avenues for advancement, the employees who consider their careers to be important can reduce their stress levels by becoming more realistic about their options and can start preparing themselves for it.

Time Management: Another way of coping with stress is to manage time more effectively. People can learn to get better organized so that they can do their work more efficiently.

Delegation: Another way of coping with job stress is to delegate some responsibilities to others. Delegation can directly decrease workload upon the manager and helps to reduce the stress.

More Information and Help: Some new employees have to spend more time on a job than necessary because they are not sure what they are doing. So it is necessary that some help should be provided before doing the work that would lead to much efficient, effective work. It would also reduce anxiety and stress among the employees.

Health Maintenance: Probably the most frequently used organizational stress management program is health maintenance. Many companies invest large sum of money in gym and sport facilities for maintaining the health of the employees.

Supervisor Training: Another type of stress management Program that organizations are experimenting with is supervisor training. The emphasis on supervisory training Program is how to prevent job stress. Managers are trained to give better performance appraisals, to listen to employees' problems more effectively, and to communicate job assignments and instructions more clearly.

Individual Stress Reduction Workshops: Some organizations have also sponsored individual stress reduction workshops for their employees. These programs include biofeedback, meditation to career counseling, time management and interpersonal skills workshops. In lectures and seminars, participants are given a basic understanding of the causes of stress and its consequences. Then, participants are given materials to help them to identify the major sources of stress in their own lives, and some strategies for dealing with that stress more effectively.

8.8 CHECK YOUR PROGRESS QUESTIONS

1. Define Stress.
2. What do you understand by Hyper stress?
3. What are the types of distress?
4. State the potential sources of Stress.
5. Indicate the consequences of stress.
6. Spell out the meaning of Career Counseling.

8.9 SUMMARY:

- In the present complex and competitive environment stress level is increased both in the workers and managers. Recent research has shown that stressed managers are not good to the management. Thus stress reduces efficiency, productivity and profitability.

- Stress is physical, mental and chemical reasons to circumstances that frighten confuse and irritate. Stress is the general term applied to the pressures people feel in life. It is the reaction of an individual against the troubling factor of his surroundings.

- A person undergoes stress when he feels that he is ill-equipped to carry out the tasks assigned to him. Not everyone undergoes stress in a workplace.

- It is also not possible to explain precisely the situation that would give scope for stress because many individuals are capable of performing their tasks irrespective of the work situation.

- Stress is an adaptive response, mediated by individual characteristics and psychological processes that is a consequence of any external action, situation or event that places special physical and psychological demands upon a person.

- Stress influences the emotions, behaviour and health of people. The presence and level of stress depends on how a person perceives and interprets a situation. The nature of stress are as follows: personal, common to all, impact, issue, different forms, different way of handling, personal, essential and desirable, causative factors and management of stress.

- Depending on features, stress can be classified as follows: eunstress, neustress, distress hyper stress and hypo stress. The potential Sources of Stress are environmental factors, organisational forces and individual factors.

- Stress can result in numerous positive and negative consequences. Results of positive stress are more energetic, full of zeal and inspirational.

- Stress can lead to both individual and organisational consequences. The individual consequences of stress make the life of a person more exciting. Stress can produce following consequences: behavioural consequences, psychological consequences, and physiological/medical consequences.

- Stressed individual influences an organisation both directly and indirectly. In particular, the organisation is affected by individual stress in following ways: decline in performance, change in attitude and withdrawal behaviour.
- There are several ways in which stress can be handled so that the dysfunctional consequences of stress can be reduced. Some of them are: Role Analysis Technique (RAT), Job Relocation, Recreational Program, Employee Assistance Program, Career Counseling, Time Management, Delegation, Health Maintenance, Supervisor Training, And Individual Stress Reduction Workshops.

8.10 KEY WORDS

Stress : Stress is a normal reaction the body has when changes occur. It can respond to these changes physically, mentally, or emotionally.

Causative Factors: Causative factors are ones which are responsible for causing something.

Distress: Distress is a state of extreme sorrow, suffering, or pain.Jealousy causes distress and painful emotions.

Chronic Stress: Stress is a biological response to demanding situations.

Career Counseling: Innovation in Career Counselling to get most accurate Career Guidance.

Delegation: The task of a delegation each member of which can be called a delegate is to represent a larger group, often at a conference.

8.11 ANSWERS TO CHECK YOUR PROGRESS:

1. Stress is an adaptive response, mediated by individual characteristics and psychological processes that is a consequence of any external action, situation or event that places special physical and psychological demands upon a person

2. Excessive amount of stress which is beyond what a person can handle is hyper stress. Generally people who are over worked or overloaded with work face hyper stress.

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3. Distress is two types and they are as follows

i) Acute Stress: Short-term stressor leads to acute stress. It evolves all of a sudden, is extremely sharp, and vanishes rapidly.

ii) Chronic Stress: This stress is the long-term stress resulting from the prolonged irritating problems. This type of stress keeps coming back with the passage of days and years.

4. Environmental factors, organisatioanl forces and individual factors are the potential sources of stress.

5. Stress can lead to both individual and organisational consequences. The individual consequences of stress make the life of a person more exciting. Stress can produce following consequences: behavioural consequences, psychological consequences, and physiological/medical consequences.

6.Career Counseling helps the employee to obtain professional advice regarding career that would help the individual to achieve personal goals.

8.12 QUESTIONS AND EXERCISES

Short Questions:

1. State the meaning of stress.
2. What do you understand by Neustress?
3. State the organizational forces that creates stress.
4. What is Job Relocation?
5. What is Role Analysis Technique?

Long Questions:

1. Define stress. Explain the nature of Stress.
2. Discuss the potential sources of stress.
3. Enumerate the consequences of Stress in detail.
4. Elaborately explain the various methods of managing in an organisation.

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BLOCK III ORGANISATIONAL CLIMATE AND CULTURE

UNIT IX ORGANISATIONAL CONFLICT

Structure:

9.0 INTRODUCTION:

Conflict may be defined as the disagreement between two or more individuals or groups over an issue of mutual interest. Conflicts may arise between two parties when one party (an individual or a group) feels that the actions of the other party will either affect its interests adversely or obstruct the achievement of its goals; the goals of both the parties differ significantly or are interpreted differently; or the basic values and philosophies of the two parties are different. Conflicts can range from small disagreements to violent acts. To study the dynamics of organizational behaviour, study of conflict management deserves attention. In present corporate environment conflict has become very common phenomenon. Conflict is bad as it has adverse effects on the individual performance. If conflict is beyond control it takes a destructive dimension. When employees do not cope up with the conflict situation, there is an increased absenteeism and exit of

employees. It can be so disastrous that can lead to demise of an organization. On the other hand it has been opinioned that conflict is good for the organization as it produces new ideas, increases competitive spirit, cohesiveness in the team and instills an atmosphere of brotherhood in the organization. This is only possible if ideas are properly channelized and there is proper delegation of authority, empowerment and autonomy in functioning

9.1 OBJECTIVES

After studying this unit, you can

- Interpret the meaning of conflict in an organisation.
- Know the types of conflict.
- Analyse the process of conflict.
- Understand the strategies for encouraging constructive conflict.
- Evaluate the strategies for resolving destructive conflict.

9.2 MEANING OF CONFLICT

Conflict is a part of life. People are being subjected to conflict both inside and outside the organisation. Conflicts arise due to limitation of resources, competition and difference in values, goals, attitudes, expectations etc. Whatever may be the cause, if conflicts are not managed well, they may adversely affect the mental health of the managers and also the health of the organisation. An organisation consists of people with different backgrounds; as these individuals differ in their opinions and attitudes, interaction among them often leads to conflicts. Conflict, which can occur at individual, group or organisation levels, discourages people from cooperating with each other. While some degree of conflict is desirable in organisations so as to promote the spirit of competition among employees, it jeopardizes the effective functioning of the reorganisation if it is allowed to persist for a long time. Therefore it becomes essential to resolve conflicts quickly. Though there are several methods available to resolve conflicts, the ideal way is through negotiation. Thus, in order to be effective, it is important that the manager possesses adequate negotiation skills.

Conflict may be defined as a situation in which there is a breakdown in decision making owing to irrational and incompatible stand taken by one or all related to decision making. Thus conflict leads to disruption and incompatibility in the behaviour of the people.

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Conflict is the function of opposite views held by the parties in dispute. The conflict becomes worse when the people stick to their irrational stand. Managing conflicts does not mean merely containing them Conflict management involves anticipation of conflict devising means by which destructional conflicts can be avoided and when the conflict do occur overcoming them without creating problems for people and the organisation.

John W.Newstrom and Keith Davis defines conflict as "Individuals may have a difference of opinion on selection of a particular course of actionthat will lead to disagreements and often result in the conflict".

9.3 SOURCES OF CONFLICT

The sources of conflict are as follows:

1. Organisation change: Organisations undergo changes due to new technological political and social developments that affect them or due to change in the competitive forces. As people may hold different views about change and the future direction of an organisation, conflict may arise.

2. Personality clashes: Individuals' personalities differ widely due to difference in their levels of maturity, emotional stability and their behaviour. When they do not recognize or appreciate these differences conflicts occur.

 3. **Difference in value sets:** Different people have different opinions, values and beliefs. When

people with contradicting values and beliefs interact with each other conflict is likely to occur. These conflicts are often irrational and difficult to be resolved.

4. Threats to status: Most individuals associate their identity with their status in society or the organisation. When an individual feels that another person's acts may harm or damage his image, which in turn may affect his status, conflict, is likely to arise.

5. Perceptual difference: People perceive different things, issues and their environment differently. When they act as though their perception is the only reality, without attempting to understand or another person's view, conflict arise.

9.4 CONSTRUCTIVE AND DESTRUCTIVE CONFLICT

Organizations exist based on various groups and departments where scarce resources have to be put in to use through various processes. Systems and subsystems exist in the organizations that are managed by individuals and work teams or work groups. While interacting with each other on individual, team or group levels, there may be occasions when conflict occurs due to perceptual differences. The different levels of conflict may be intra-personal, inter-personal, intra-group, inter-group and intra-organizational in nature. These are discussed below.

I) Intra-personal Conflict: Intra personal conflict is also called the conflict within the individual. This type of conflict can be of two types

(a) **Value conflict:** Every individual has to play certain roles, which conforms to his value system. However, there are certain situations when an individual may have to compromise on value system and beliefs.

(b) **Decision-making:** Problem solving is one of the important jobs every individual has to undertake in work environment. Every problem has various courses open. At times it is difficult for a person to select an appropriate course of action. This situation causes conflict within the individual. He therefore will have to take decisions based on the past experience and the knowledge. It may be noted that decision-making has become simpler these days due to firstly; information technology where required data is available and secondly, group decision is the norm in most of the organizations.

II) Inter-personal Conflict: Inter-personal conflict relates to conflict between two or more individuals and is probably the most common and recognized form of conflict. Interpersonal conflict is caused due to disagreement over goals and objectives of the organization. These are heightened due to difference of opinion of individuals and when issues are not based on facts. Every organization is full of unresolved issues, problems and differing situations that leads to conflict. Conflict can also take place between one person of a group with another person of the same group or another group on issues relating to decision-making. Individuals may have a difference of opinion on selection of a particular course of action that will lead to disagreement and often result in the conflict. It is the merit of the issue, and willingness of members of the

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organization to accept the others point of view that will avoid the conflict situation.

III) Intra-Group Conflict: Intra-group conflict relates to values, status and roles played by an individual in the group and the group norms. Individual may want to remain in the group for social needs but may disagree with the methods and procedures followed by the group. The conflict may arise when social changes are incorporated in the group. When group faces new problems and when values are changed due to change in social environment. Intra-group conflict is like Inter-personal conflict except that the people involved in the conflict episode belong to a common group.

IV) Inter-Group Conflict: Conflicts between different groups, sections and departments are called inter-group conflict. For example, conflict between production and sales departments over the quality being produced and the customer requirements. Inter-group conflict causes due to factors inherent to the organizational structure like independence, inconsistency in various policy matter, variance on promotion criteria, reward system and different standards being adopted for different sub-units and departments. Organizational objectives can only be achieved when all departments work towards attainment of organizational goals. This is possible when interactions between departments are smooth and cordial. Conflict can be avoided by better communication between departments, joint decision making, removing disparity in group goals and paying due respect and displaying concern for other group's views.

Inter- group conflict can be classified into two types namely and they are as follows:
 a. **Functional conflict:** It is constructive in nature and they serve the interest of organisation. Also it enhances organizational performance.
 b. **Dysfunctional conflict:** It is destructive in nature and they are against the interest of organisation. Also it leads to the decline of organisational performance.

V) Inter-Organizational Conflict: Inter-organizational conflict takes place between two dependent organizations. Conflict can take place between government organization, unions and the operating industry.

Government organizations function to ensure that minimum standards are followed by the organizations. Managers must try and reduce inter-organizational conflicts by adopting positive approach and by following strictly, the rules and regulations laid down by the government agencies. Conflict can also take place between seller and buyer organizations.

VI) Intra-Organizational Conflicts: Intra organizational conflict encompasses horizontal, vertical, line–staff and role based conflicts. They are as follows:

a. Horizontal Conflict: Horizontal Conflict is caused due to incompatibility of goals, sharing limited resources and difference in time orientation. It leads to tension, misunderstanding and frustration on the part of both the parties. Horizontal conflict relates to employees or group at the same level. Organizational goal at implementation level vary from department to department. Individuals may not be able to meet the targets of production in given time due to variety of reason that may cause conflict with sales department as the latter would like to flood the market with their product to make the presence felt. It has been seen that due to increased interdependence of individuals or groups to carry out various functions, situations do arise where there is difference of opinion on issues that cause conflict between individuals or groups.

b. Vertical Conflict: Vertical conflict refers to conflicts that might take place between different levels of hierarchy. Conflicts between subordinates and superior occur due to incompatibility. It is generally caused because of differences in perception, value system, goals that may be assigned, cognition and difference in individual behaviour. Conflict is also caused due to inappropriate communication between individuals at two different levels.

c. Line and Staff Conflict: Line and staff conflict has been traditional. Line authority creates product and services and contributes directly towards the revenue generation. While staff authority assists line authority and acts in advisory capacity. Staff and line authority have a different predispositions and goals. They have different skills and expertise. Since staff authority (managers) are in the chain of command and have a day to day assess to the top boss, have a tendency to dictate terms to the line authority and usually disregard the working knowledge of the line authority. They have tendency to dominate and disregard the efforts put in by line authority managers. On the contrary staff

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managers have a technical know how and they are able to advice the line authority to cut down cost of production and save on wastage etc. Line authority does not like their advice at times. Staff managers get frustrated when their suggestions and ideas are not implemented by line managers and hence the cause for conflict. In the process the organizational goals are not achieved as per plans.

d. Role Conflict: A person in an organization has to perform various roles. Conflict arises when roles assigned to him have different expectation. 'Time' management may cause conflict. A person may be asked to take care of an additional section in the absence of section head. Value system in an organization is also a cause for conflict. Supervisor is asked to be honest while he is dealing with sale of the product while the same person may be asked to pay commision to an official from whom a sanction is required to be obtained, thereby causing a conflict situation in the ethical value system of an individual. When an individual is line or a staff employee and also a union representative, has to perform duties of conflicting nature hence a role conflict.

9.5 DIFFERENCES BETWEEN FUNCTIONAL CONFLICT AND DYFUNCTIONAL CONFLICT:

Functional Conflict	Dyfunctional Conflict
Conflics is not always bad and it can be appositive experience.	Conflict is bad and should be avioded
Enhances organizational performance	Leads to the decline of organizational performance
Conflict should be managed	Conflicts should be eliminated quickly
Conflicts between groups encourage innovation.	Conflicts affect the achievement of group goal.
Thay can be encouraged.	They should be immediately resolved.
They serve organisation's interests	They are against organisation's interest
Constructive I nature	Destructive in nature
Reduces stress and tension	Increases stress and burnout

9.6 CONFLICT PROCESS

Pondy developed a conflict process model, which is useful to understand how a conflict starts. He has delineated five steps that he calls as 'conflict episode'. These are latent conflict, perceived conflict, felt conflict manifest conflict, conflict resolution and conflict aftermath.

Latent Conflict: It is a first stage of conflict when conflict-promoting situations appear on the scene between individuals and groups. In this stage potential conflict inducing forces exist. For example demand for various resources by departments when some may get and be satisfied and others may not get and be dissatisfied. Hence there may exist a situation between two groups. At this stage the seeds of dissatisfaction have been sown.

Perceived Conflict: When one party frustrates the design of the other party**,** people perceive that a confluctual conditions exist. For example sales manager may need additional budget for promotional activities which financial manager may not release. The sales manager may attribute lack of finance as potential cause for fall in sales. Thus a conflict between the two may brew. At this stage the conflict does not surface.

Felt Conflict: At this stage, the conflict is actually felt and cognised. As stated earlier, the funds are not released by the finance manager and the problem is being surfaced and there is a likelihood of confrontation.

Manifest Conflict: In this stage, there is not only recognition or acknowledgement of conflict but also manifestation of conflict by covert or overt behaviour. It is a stage of open dispute. Both parties devise their strategies to face each other. In the above example sales manager may make his point for additional funds for promotional activities especially during festival season. Finance manager may openly turn down the request since he might have allotted additional funds for procurement of better raw material for production department. Sales manager may argue that better raw material has no meaning unless the facts are brought to the notice of customers, which can only be done through promotional campaign. The debate may be unending and frustrating.

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┌─────────────────┐      ┌──────────────────┐      ┌──────────────┐
│ Latent Conflict │ ───▶ │ Perceived Conflict│ ───▶ │ Felt Conflict│
└─────────────────┘      └──────────────────┘      └──────────────┘


┌──────────────────┐      ┌──────────────────┐
│ Conflict Aftermath│ ◀── │ Manifest Conflict │ ◀──
└──────────────────┘      └──────────────────┘
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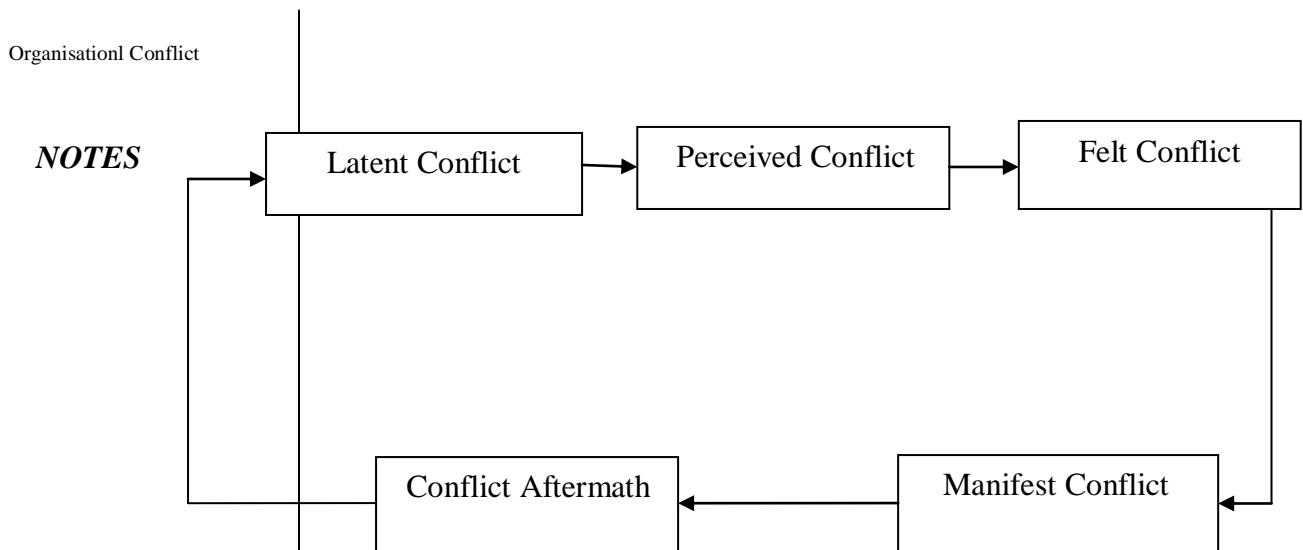
Fig.9.1.Pondy's Conflict Process Model

Conflict Aftermath: Once the conflict is resolved between the two parties, there is always a party, which is looser because the resolution is the outcome of win – lose or the compromise strategy, a stage is set for subsequent conflict episodes. A party, which feels defeated, may start preparations and be on the lookout for the assault to take the revenge. Conflict resolution has been added as an additional box in the figure to elucidate that conflict aftermath is a direct function of the results of the conflict resolution style adopted and exercised in any given situation.

9.7 STRATEGIES FOR ENCOURAGING CONSTRUCTIVE CONFLICT

The constructive or functional conflicts need to be stimulated. The strategies for encouraging constructive conflict are as follows:

A) Stimulating Conflicts: Conflict may be stimulated when there is too much lethargy and conformity in an organisation. The following methods may be used by the management to stimulate conflict:
1) **Using of Informal Communication:** Managers may manipulate messages in such a way as to stimulate conflict. Conflict can also be stimulated by redirecting messages and altering channels of communication.

2) **Reorganisation Work Structures:** Changing the structure of an organisation is an effective method of stimulating conflict. When work groups and departments are reorganized, new relations and responsibilities arise. Members try to readjust themselves and in this process improved methods of operations may develop.

3) **Encourage Competition:** Healthy competition between individuals and groups may be stimulated through properly administered incentives. As one group struggles hard to outperform the other, constructive conflict will occur.

4) **Bringing in outsiders:** Management may shake up at a stagnant organisation by bringing in people whose attitudes, values and styles differ significantly from the prevailing norms. When such heterogeneous persons join an organisation, Status quo is disturbed. Divergent opinions, innovative ideas and originality can be developed.

B) Preventing Conflicts: To prevent conflicts, the following strategies may be used.

1) **Reducing Interdependence:** The potential for conflict is very high when two or more departments are interdependent and share scarce resources. Therefore, conflict may be minimized by reducing interdependence among departments. Each department may be provided with resources interdependent of other departments.

2) **Establishing Superordinate Goals:** A superordinate goal is a common goal that appeals to all the parties and cannot be achieved by the resources of any single party. In order to achieve the superordinate goal, conflicting parties sink their differences and cooperate together. Severe competition may force different departments to work together to ensure the survival and growth of the organisation.

3) **Rotation of Personnel:** Rotation of employees between interdependent departments can improve perception and mutual understanding. Employees may see the big picture and exchange views with one another. Employees become more considerate and co-operative.

4) **Developing Trust and Effective Communication:** Individuals and groups should be encouraged to communicate openly with each other, so that misunderstandings can be removed and they are in a position to understand the problems of each other whenever necessary.

5) **Creation of Liaison Groups:** Intermediaries acceptable to interdependent units may be appointed to mediate between the groups.

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A liason officer has no vested interest and speaks the language of both the parties. He can rally the fighting groups towards a mutually, agreeable solution. Sometimes, third party consultants may be appointed to change attitudes of the conflicting groups and thus reduce conflict.

6) Avoidance Strategies: It involves withdrawal of parties from the place of the conflict. When parties to the conflict fail to arrive at mutually agreed solution, they may detach themselves from the conflict believing that avoidance is more mature and reasonable. They stay out of conflict and take no position on the issues involved. As a result, the conflict is neither resolved nor eliminated.

7) **Appeal to Higher Authority:** When the conflict cannot be resolved at the level of the parties involved, it may referred to superior position. Since the superior has authority to dictate terms to both the parties, he can succeed in bringing the conflicting parties together.

9.8 STRATEGIES FOR RESOLVING DESTRUCTIVE CONFLICT

The curative measures are useful in resolving the conflicts amicably. However, negative or destructive conflicts must be eliminated through preventive and curative measures. Thomas and Kilmann have suggested five approaches to conflict management which are appropriate under different situations. These are:

a) Competing: It is a power oriented approach of resolving tensions. Competition is useful when the resources are limited and the system has to be pruned. Here, one uses power and makes unilateral decisions taking the "Win-lose" approach. Using power is also important to resolve conflicts on matters which are of vital importance to the company, and where one is aware of the right solutions.

b) Collaborating: Strategy of collaboration involves attempt of one party to work with the other party in cooperative manner and find solutions to the problem for mutual benefits. The strategy involves identification of areas of disagreement, examining the issue in greater detail and a workable solution arrived at, which is for mutual benefit. This strategy signifies when two sets of solutions are important for both parties to be compromised. This strategy signifies joint efforts, gain for both parties and integrated solutions arrived at by consensual decisions.

Collaboration is time and energy consuming. The strategy attempts a win— wins solutions to their goals.

C) Compromising: In conflict situation, compromising is a mode when both parties try to find out some expedient, mutually acceptable solution that sacrifices both the parties partially. In compromising, there is no clear winner or loser. None of the party is fully satisfied as they ration the object of conflict and accept the solution which is not complete to either of the parties. In compromising, there is a possibility of an atmosphere of 'gamesmanship' in the work environment. There is also a possibility of compromising on certain principles of behaviour which is not desirable. Values, ethics, principles and long term objectives of the organization must be protected while adopting compromising. Compromising policies can easily be adopted when competing or collaboration strategy fails.

d) Avoiding: Avoiding can be very functional when the issue involved in the conflict is of passing importance, or when more pressing issues are to be handled by the individual within a limited time frame. Avoiding can also be the only alternative when one's power is very low and there is no chance of satisfying one's own concerns. Avoidance is also tactical when the potential damage of confronting the situation outweighs the benefits of resolution.

e) Accommodating : Accommodating is useful in situations when the individual realizes that he is wrong. By yielding to the other's point of view, the individual indicates to the other that he is reasonable. Also when an issue is much more important to the other person than to the individual, by accommodating, the person maintains goodwill and a cooperative relationship, and also builds social credits.

9.9 CHECK YOUR PROGRESS QUESTIONS

1. Define conflict.
2. What do you understand by Intra group conflict?
3. State the meaning of Inter personal conflict.
4. Point out the different process of conflict.
5. What do you understand by functional conflict?
6. Point out the strategies for resolving destructive conflict.

9.10 SUMMARY

* Conflicts may arise between two parties when one party (an individual or a group) feels that the actions of the other party will either affect its interests adversely or obstruct the achievement of its goals; the goals of both the parties differ

significantly or are interpreted differently; or the basic values and philosophies of the two parties are different.

- Conflict management involves anticipation of conflict devising means by which destructional conflicts can be avoided and when the conflict do occur overcoming them without creating problems for people and the organisation.

- Conflicts arise due to limitation of resources, competition and difference in values, goals, attitudes, expectations etc. Whatever may be the cause, if conflicts are not managed well, they may adversely affect the mental health of the managers and also the health of the organisation.

- The sources of conflict are organisation change, Personality clashes, Difference in value sets, Threats to status and Perceptual difference.

- The different levels of conflict may be Intra-personal, Inter-personal, Intra-group, Inter-group and Intra-organisation.

- Pondy developed a conflict process model, which is useful to understand how a conflict starts. He has delineated five steps that he calls as 'conflict episode'. These are latent conflict, perceived conflict, felt conflict manifest conflict, conflict resolution and conflict aftermath.

9.11 KEY WORDS

Conflict: A conflict is a clash of interest. The basis of conflict may vary but, it is always a part of society. Basis of conflict may be personal, racial, class, caste, political and international. Conflict in groups often follows a specific course.

Constructive Conflict: A constructive conflict is one in which a solution to the source of the conflict is found.

Destructive Conflict: Destructive conflict has largely negative results. It pushes people apart, destroys relationships, and leads to a host of negative personal and social changes including an escalation of violence, fear, and distrust.

Line and Staff: A "line function" is one that directly advances an organization in its core work. A "staff function" supports the organization with specialized advisory and support functions.

Latent conflict: Latent conflict is the stage in which factors exist in the situation which could become potential conflict inducing forces.

Perceived conflict: Perceived Conflict : Conflicts may, sometimes, arise even if no conditions of latent conflict exist. This is the stage when one party perceives the other to be likely to thwart or frustrate his or her goals.

Strategies: An organizational strategy is the sum of the actions a company intends to take to achieve long-term goals.

9.12 ANSWERS TO CHECK YOUR PROGRESS:

1. Conflict is defined as "Individuals may have a difference of opinion on selection of a particular course of action that will lead to disagreements and often result in the conflict".

2. Intra-group conflict relates to values, status and roles played by an individual in the group and the group norms. Individual may want to remain in the group for social needs but may disagree with the methods and procedures followed by the group.

3. Inter-personal conflict relates to conflict between two or more individuals and is probably the most common and recognized form of conflict. Interpersonal conflict is caused due to disagreement over goals and objectives of the organization.

4. The different process of conflict are latent conflict, perceived conflict, felt conflict manifest conflict, conflict resolution and conflict aftermath.

5. It is constructive in nature and they serve the interest of organisation. Also it enhances organizational performance.

 5. Competing, Collaborating, Compromising, Avoiding and accommodating are the strategies used for resolving destructive conflict.

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9.13 QUESTIONS AND EXERCISES:

Short Questions

1. State the meaning of conflict.

2. What do you understand by constructive conflict?

3. States the types of conflict.

4. Spell out the meaning of Inter personal conflict.

5. What are the sources of conflict?

Long Questions

1. Discuss the process of conflict in detail.

2. Explain the strategies for encouraging constructive conflict.

3. Interpret the various strategies for resolving destructive conflict.

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UNIT X ORGANISATIONAL DYNAMICS

Structure:

10.1 INTRODUCTION

Organisational dynamics refers to the patterns of movement over time in the interactions between the people who are the organization, the community of practice. Such patters could be described, for example, as regular patterns of dependence and conformity, or as irregular patterns of aggression and noncompliance. Organisational dynamics is defined as the process of continuously strengthening resources and enhancing employee performances. It can also be described as how an organisation manages and promotes organizational learning, better business practices and strategic management.

Organisational 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. 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 he effective bin not efficient, or efficient but not effective. Effectiveness is a broad concept and takes into account a

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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 organisation. 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.

10.2 ESSENTIAL ELEMENTS OF ORGANISATION DYNAMICS

There are four fundamental business activities that contribute to an organization's dynamics.

(i) Planning: Planning requires management to structurally define departments and divisions. Managers set measurable goals that will define future actions and decisions. Organizational planning may involve inventory control, production scheduling, revenue forecasts and expense management. Managers use these plans as the actionable foundation for all their regular duties.

(ii) Goal Execution: It involves implementing, evaluating and following up with expected deliverables. In order to accomplish this, managers must allocate resources and responsibilities to employees based on skills and schedules.

(iii) Leadership: This involves hands-on, exemplary oversight that drives innovation, knowledge and performance.

(iv) Resource Control: Resource control refers to how executives and management establish systems that gather data which is used to determine if goals are met.

10.3 DEFINITION AND CRITERIA FOR ORGANISATIONAL EFFECTIVENESS

The level to which an organisation achieves its objectives with the help of available physical resources is known as organisational effectiveness. Organisations that are capable of achieving their objectives within the constraints of limited resources are considered as effective organisations. The term 'effectiveness' is often confused with 'efficiency' but both have different meanings. The efficiency of an organisation is determined by the quantity of output attained within a short supply of resources. While, the effectiveness of the firm is the degree to which it is capable of carrying out pre-determined objectives. Organisational effectiveness is understood as the extent to which an organisation attains its goal under finite amount of funds and resources,

without putting excessive burden in its employees. If represents the firm's potential to organise its power centres in order to induce business activities and constructive changes. The effectiveness can also be understood in terms of survival of the company. Hence, organisational effectiveness primarily represents the accomplishment of organisational goals.

Organisational effectiveness is called as organisational success or growth is defined and conceptualised in difference ways and no unanimity is found in different approaches. Though a large volume of literature is available on the concept and working of organisational effectiveness, there is often contradiction in the various approaches. The various approaches are judgemental and open to question. Thus, various terms are often used interchangeably, such as, efficiency, productivity, profitability, organisational growth to denote organisational effectiveness.

According to **Hannan and Freeman,** "Organisational effectiveness is the degree of congruence between organisational goals and observable outcomes".

According to **Campbell**, "Effectiveness may be defined as the degree to which an organisation realises its goals."

According to **Hummel**, "Effectiveness of an organisation can be seen in terms of the survival of the organisation."

According to **Barnard**, "Organisational effectiveness is the degree to which operative and operational goals have been attained".

In the words of Basi and Arnold, "Organisational Effectiveness is the extent to which an organisation, given certain resources and means, achieves its objectives without placing undue strain on its members"

CRITERIA FOR ORGANISATIONAL EFFECTIVENESS:
There are several criteria for organisational effectiveness which are explained as follows:

1) Directions: It includes the following aspects:

   i) Establishing goals and objectives,

   ii) Short-term and long-term planning,

   iii) Logical investments and entrepreneurship,

   iv) Formulating suitable organisational structures, and

   v) Sustaining a positive image and repute of the company which can be assessed by the level of profitability, high share value, and goals attained by the company.

2) Delegation: An organisation should have proper delegation of authorities and responsibilities all through the organisational structure. It means that every manager should delegate his/her responsibilities to his subordinates along with the authority to perform their tasks. An effective delegation is essential for organisational effectiveness.

3) Accountability: Accountability is interconnected with efficient delegation of authority and determines the responsibility or role of every employee towards the organisation. In simple terms, it gives a clear understanding of 'who' is responsible for 'what' and 'how'.

4) Control: Control is primarily concerned with monitoring and regulating actual results with respect to desired ones. The management should find out the difference between actual output and expected output. These expected outcomes are set according to the company's goals and norms. Control can also be computed by rate of rejections, service quality, resource utilisation, etc.

5) Efficiency: Efficiency of an organisation can be calculated by analysing the ratio of output and input. It can also be determined by the extent to which an organisation achieves its pre-determined output levels with optimal utilisation of resources at minimal costs.

6) Coordination: Coordination refers to the integration of business operations with the contribution of different departments of the organisation. It usually includes inventory levels, deliveries, etc.

10.4 SIGNIFICANCE OF ORGANISATIONAL EFFECTIVENESS

The significance of organisational effectiveness can be understood by the following points:

1) It improves the possibilities of long-term association with employer, promotional opportunities, and job success.
2) It provides a framework for systematising and organising work of an individual.
3) The functioning and operation of large organisations can be understood more effectively.
4) It challenges the functioning of organisations.
5) It facilitates growth and long-term survival of the organisation through planned modifications, innovations, human resource development, and forecasting.
6) It creates opportunities for employees to use their abilities.
7) It increases sales volume, levels of production, and number of clients.

10.5 APPROACHES OF ORGANISATIONAL EFFECTIVENESS

Organisational 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 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 four approaches:

1) **Goal Approach**: According to this approach, organisations exists to achieve pre-determined goals. The effectiveness of organisations depends on their goal achievement. Only those organisations which are able to achieve their goals have organisational effectiveness. Goals may relate to:

- Sales maximisation
- Profit maximisation
- Higher production
- Increased efficiency
- High customer satisfaction
- Improved capacity for innovation
- Strong image and reputation

Limitations of this approach are:

- Individual and group goals may differ with organisational goals.
- Goals may keep changing due to changes in the organisation. Therefore identifying the goals to be achieved may prove difficult.
- An organisation's short term goals may differ from its long term goals.
- Organisations can have multiple goals and some of them may be in conflict with each other. This creates problems in goal achievement.

2) **System Approach**: According to the systems approach, an organisation is an open system. The organisation obtains inputs from the environment and transforms them into output. Organisations are made up of interrelated subsystems. If subsystems perform well, they improve the efficiency of the organisation. Even if one of the

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subsystems is inefficient, it would affect the performance of the entire system. The disadvantages of this approach are:

- A higher amount of resource availability may not mean their effective usage.
- It is difficult to determine the ideal level of resources for different organisations.

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              ┌─────────────────────────┐
              │ Organisational Effectiveness │
              │       Approaches        │
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┌──────────┐ ┌──────────┐ ┌───────────────┐ ┌────────────────────────┐
│   Goal   │ │ System │ │ Internal Process │ │ Strategic Constituencies │
│ Approach │ │ Approach │ │   Approach   │ │   Approach   │
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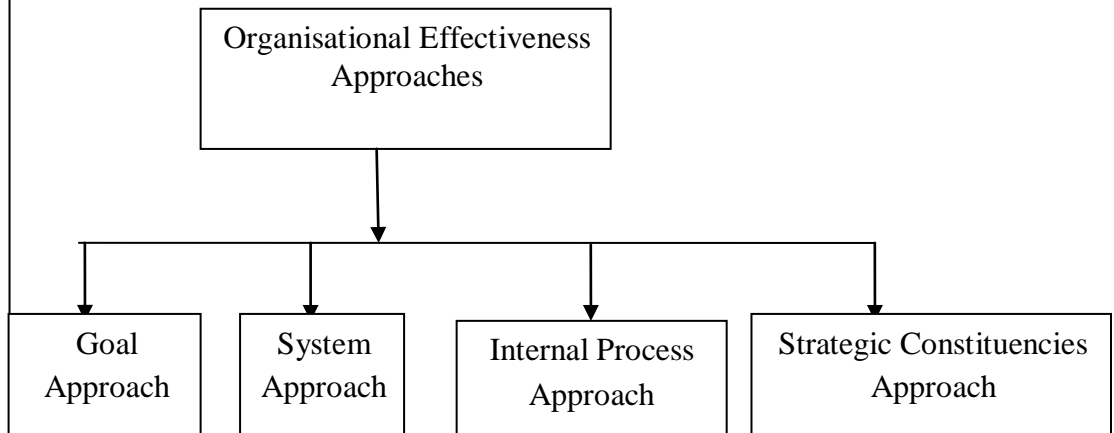
Fig.10.1. Approaches of Organisational Effectiveness

3) Internal Process Approach: The internal process approach focuses on the internal activities of the organisation. According to this approach, organisational effectiveness depends on the internal organisational health. An organisation is effective if it has the capacity to improve its

- ➢ Internal efficiency
- ➢ Co-ordination
- ➢ Commitment and
- ➢ Employee satisfaction.

4) Strategic Constituencies Approach: There are many people who are associated with the organisation. They are employees, customers, shareholders, investors, creditors, government and the community. All these people are termed as strategic constituencies. Each member of the strategic constituency has its own interests and requirements. Since the demands of the constituencies are different, organisations have to strike a fine balance. The effectiveness of an organisation depends on it capacity to achieve a balance among the interest of various constituencies.

10.6 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 behavior.

Intervening Variables: Intervening variables according to Likert are those variables that reflect the internal state and health of an organization. For example, loyalties, attitudes, motivations, performance goals and perceptions of all the members and 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.

Casual Variables	**Intervening Variables**	**Output Variables**
a) Organisation Structure b) Policies of the Organisation c) Leadership Strategies d) Decision Models e) Techonology f) Norms g) Rules and Regulations .	a) Communication b) Leadership Skills c) Resolution of Conflicts d) Motivation of Employees e) Commitment to Objective f) Decision making	a) Cost b) Output c) Turnover d) Earnings e) Absenteeism f) Union Management Relations

Fig. 10.2. Interrelationship of variables

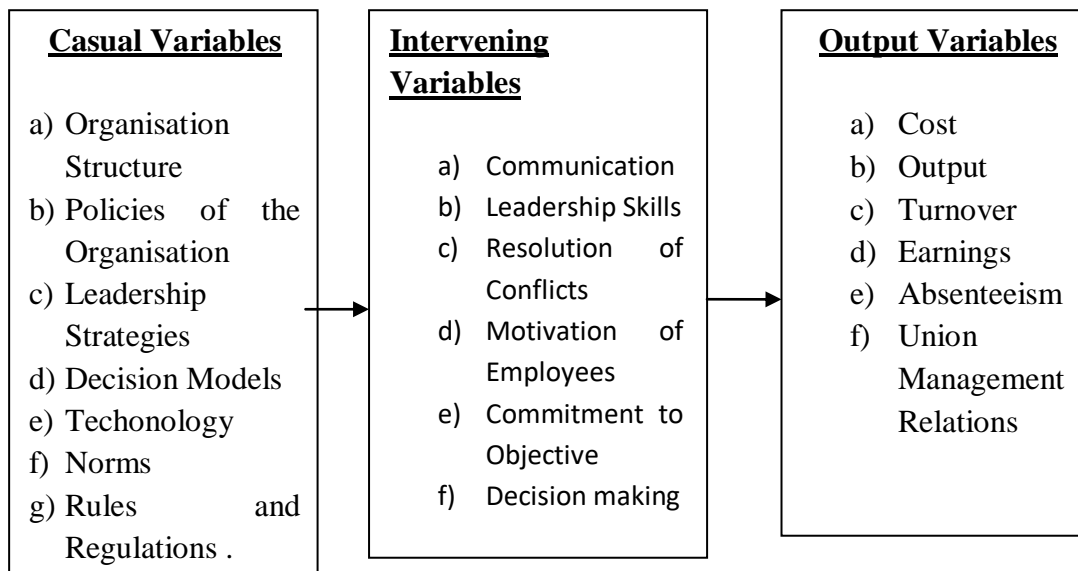**Inter-Relationship of Variables:** The three variables such as causal, intervening and end-result ore interrelated. The inter-relationship may

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 effectiveness model can be presented in a more complex way i.e. at three different levels such as the individual, group and organizational levels in order to make the organization more effective. and they are as follows:

(a)Individual Effectiveness: The people involved in the organisation are important contributors to organisational effectiveness. It includes the CEO, the top management and employees. They contribute to organisational effectiveness through their skills, knowledge, attitude and ability to handle stress. Individual effectiveness contributes to group effectiveness and organisational effectiveness.

(b)Group Effectiveness: Group efforts are an essential contributor to organisational goals. Individual's contribution to their group is an important element of organisational effectiveness. Group structure, norms, cohesiveness and team role influence contribution of the group.

(c) Organisational Effectiveness: Individual effectiveness, group effectiveness and organisational factors that contribute for organisational effectiveness. The organisational factors that contribute to organisational effectiveness are (i) Organisational structure (ii) Organisational culture (iii) Organisational climate (iv) Organisational values, beliefs and ethics (v) Organisational strategy, structure and systems.

The effective organization is built of effective individuals who work collectively in groups. 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 minis. He may sec 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.

10.7 EFFECTIVENESS THROUGH ADAPTIVE-COPING CYCLE

The organization must develop a system through which it can adapt or cope with the environmental requirements; Schein has suggested that an organization can do this through the adaptive coping cycle, which consists of various activities that enable an organization to cope with the dynamics of environment. Adaptive-Coping cycle is a continuous process. There are six stages in the adaptive-coping cycle as follows:

1.Sensing of Change: The first stage is the sensing of change in internal or external environment. Most of the organizations have adaptive sub-system such as marketing research, research and development and other similar devices for effective coping with the environment.

2.Importing the Relevant Information: Organizations must be able to take the relevant information from the environment, which constitutes the input.

3.Changing Conversion Process: The organization takes the inputs from environment for further processing, normally known as conversion process.

4.Stabilizing Internal Changes: The fourth stage of the cycle is to stabilize an internal sub-system of an organization, which is dependent on external, sub-system. This is because change in one may affect other and this change can be either positive or negative.

5.Exploring New Outputs: When the internal change is stabilised, the organization can export new outputs, which are in accordance with environment requirements.

6.Obtaining Feedback: The last stage in the cycle is to obtain feedback on the outcome of the changes for further sensing the state of the external environment and the degree of integration of internal environment. This is similar to first stage.

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A successful coping suggests that all the stages have to be successfully-negotiated and failure at any of these stages may result into ineffectiveness. Following are the major organizational conditions for effective coping:

- There should be an effective communication system through which reliable and valid information can be passed.
- There should be enough internal flexibility so that changes can be brought and absorbed by an organization.
- Successful coping requires integration and commitment to organizational goals, which provide willingness for change.
- There should be supportive internal climate, which can support good communication, reduction in inflexibility and stimulation of self-protection.

10.8 INTERRELATIONSHIP BETWEEN EFFECTIVENESS AND EFFICIENCY:

According to Barnard, "Organisational effectiveness is the degree to which operative and operational goals have been attained while the concept of efficiency represents the cost/benefit rate incurred in the pursuit of these goals." Barnard, was the pioneer to introduce the effectiveness – efficiency dichotomy, distinguished between motives of individuals and goals of the organisation. The executive function was to influence individual motives towards realisation of organisation goals. However, this influence might not always be successful. If there was more co-operation among the individual members, the goals of the organisation would be attained and the system was effective. But the matter of efficiency was different. Co-operative efficiency was the result of individual efficiencies. Thus efficiency, according to Barnard , was the degree to which individual motives were sactisfied and only the individuals could say whether these were being met. But it must be noted the overall efficiency also depends on the quality of raw materials, the productive capacity of the machines, the cogenality of the surroundings and so on, although the motivation of individual members and their spirit aas a team are very important factors.

Effectiveness is commonly referred to as the degree to which predetermined goals are achieved. Efficiency refers to the economical manner in which goals-oriented operations are carried out-something of an input/output ratio. Thus, a business firm is said to be effective if it is able to attain the desired volume of sales (sales goals), but it will be called efficient if it can produce goods at a low cost. Measures of efficiency may also include output per hour of labour, profit per rupee

of sales, consumption of input per unit of product, etc. The distinction between 'effectiveness' and 'efficiency' is very important to explain why some organisations are effective but highly inefficient, or highly efficient but ineffective. Effectiveness is a multidimensional concept which can't be measured by a single criterion. But efficiency can be measured by ratio of input to output. In other words, efficiency considers the issue of how much input is necessary to attain a given level of output.

The concept of efficiency is closely related to effectiveness though the exact nature of the relationship is open to question. For instance, a decline is cost per unit of output is an indicator of improving efficiency. But this does not guarantee increased effectiveness. It is possible that an organisation's efficiency in production is improving, but is it incurring losses because it is faced with a declining market. On the other hand, an organisation may be inefficient, but it is able to make higher profits because of a rising market. Efficiency is primarily a criterion of the internal life of the organisation and it is concerned with the economic and technical aspects of the organisation. But effectiveness is a very broad concept as it considers the survival prospects of the organisation which are not determined solely by the efficiently of the internal system. Effectiveness considers organisation environment interface and also takes care of the human side of the organisation. But efficiency, on the other hand, concentrates on the technological aspects of the organisation.

According to P.F.Drucker, the administrative function of the managers is to optimise the yield from the resources. Economists means by efficiency the forces or costs. However, Drucker emphasised that the optimising approach should emphasise effectiveness. According to him: "This does not depreciate efficiency. Even the healthiest business, the business with the greatest effectiveness, can well die of poor efficiency. But even the most efficient business cannot survive, let alone succeed, if it is efficient in doing the wrong things, that is, if it lacks effectiveness. No amount of efficiency would have enabled the manufacturer of buggy whips to survive".

Effectiveness is the foundation of success. Efficiency is a minimum condition for survival after success has been achieved. Efficiency is concerned with doing things right. Effectiveness is doing the right things. Thus in Drucker's view, while efficiency is necessary for survival, effectiveness is a pre-condition for success. An efficient organisation is not necessarily effective and an effective organisation is

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not necessarily efficient. It is, however, desirable that an effective organisation is also an efficient one. Efficiency may help and organisation in becoming effective. It increases the possibilities for energy storage and his conducive to long-run growth and survival, but it is still only an aspect of organisational effectiveness. Barnard has explained the relationship between the concepts of 'effectiveness' and 'efficiency' in the following words: "When unsought consequences are trivial, or insignificant, effective action is efficient; when unsought consequences are not trivial, effective action is inefficient. Thus, we can sum up by saying that an organisation must be both effective and efficient.

10.9 MEANING AND FIVE PILLARS OF ORGANISATIONAL EXCELLENCE

An organization is a group aggregated and combined under specific leadership to function as a single entity for a particular purpose. Excellence is a measure of consistently superior performance that surpasses requirements and expectations without demonstrating significant flaws or waste. Organizational excellence continues the progress established by a foundation such as total quality management, in which all levels of the organization participate in continual improvement. Organizational excellence is often the result of transitional and transformational activities. It is the achievement by an organization of consistent superior performance—for example, outputs that exceed meeting objectives, needs, or expectations. Organisational

Excellence is defined as the ongoing efforts to establish an internal framework of standards and processes intended to engage and motivate employees to deliver products and services that fulfill customer requirements within business expectations.

FIVE PILLARS OF ORGANISATIONAL EXCELLENCE:

In order to survive in today's competitive environment, a company needs 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, it is realized that there are only five elements that need to be managed for an organization to excel. These key elements are the five pillars of organisational 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. Organisational excellence is designed for permanent change by focusing on managing the five key pillars. The key to organisational excellence is combining and managing them together. The five pillars are:

Pillar 1: Process Management: The process management concept certainly is not new to management professionals and it is 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

These key factors should be addressed when designing a process. However, the problem facing most organizations is that many of their support processes were never designed in the first place. They were created in response to a need without really understanding what a process is.

There are two basic approaches to managing processes:
• *The micro-level approach*: Directed at managing processes within a natural work team or an individual department
• *The macro-level approach:* Directed at managing processes that flow across departments and/or functions within the organization

Pillar 2: Project Management: Processes define how organizations function, and projects are the means by which organizations improve those processes. There are endless examples of poor project management. 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. The fact is 26

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per cent of all projects are successful. 40 per cent of all information technology (IT) projects fail or are canceled. Information system organizations that establish standards for project management, including a project office, cut their major project cost overruns, delays and cancellations by 50 per cent.

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.

Reasons for Failure of Projects:

A) Failure to adhere to a committed schedule caused by:
- Variances
- Exceptions
- Poor planning
- Delays
- Scope creep

B) Poor resource utilization caused by:
- A lack of proper skills
- Poor time utilization
- Misalignment of skills and assignments

C) Poor management due to:
- Incorrect project selection
- Misidentifying high-risk projects
- Poor control over interdependencies between projects

D) Loss of intellectual capital and/or knowledge capital caused by:
- Lack of the means for knowledge transfer
- People leaving the organization
- Not preparing the people who will use the output from the project (change management)

Project managers require skill, training and effective leadership specifically related to their fields. According to the Project Management Institute, the project management body of knowledge defines 69 different tools that a project manager needs to master. In today's complex world, most organizations have numerous projects going on at the same time. Many of these projects are interlinked and interdependent. Their requirements and schedules are continuously

changing, causing a chain reaction through the organization. As a result, the organization can't afford to manage each project individually. It has to manage its portfolio of projects, making the proper trade-off of personnel and priorities.

Pillar 3: Change Management: 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

Most of the books written about change management have been theoretical in nature. They talk about black holes, cascading sponsorships and burning platforms, but that is only the last phase of the change process. Most organizations don't understand or follow a comprehensive change management system. An effective change management system requires that the organization step back and define what will be changed.

Which of the key business drivers need to be changed, and how do they need to be changed? That means that the management must develop very crisp vision statements that define how the key business drivers will be changed over time. This requires that the organization have an excellent understanding of what its business drivers are and how they operate. Then the organization must define exactly how it wants to change these drivers over a set period of time.

The last phase in the change management process is making the change happen. This is the area where the behavioral scientists have developed a number of excellent approaches to break down resistance and build up resiliency throughout the organization.

Pillar 4: Knowledge Management: 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 thousands of inputs, all of which need to be researched to be sure that we have not missed a key bit 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. 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 namely 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 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 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.

Knowledge management is defined as a proactive, systematic process by which value is generated from intellectual or knowledge-based assets and disseminated to the stakeholders. The six phases necessary to implement an effective KMS are:

➢ Phase 1: Requirements Definition
➢ Phase 2: Infrastructure Evaluation
➢ Phase 3: KMS Design and Development
➢ Phase 4: Pilot
➢ Phase 5: Deployment
➢ Phase 6: Continuous Improvement

One of the biggest challenges related to implementing a KMS is transferring knowledge held by individuals, including processes and behavioral knowledge, into a consistent format that can be easily shared within the organization.

The true standard of success for knowledge management is the number of people who access and implement ideas from the knowledge networks. These networks bring state-of-the-art ideas and/or best

practices into the workplace. This allows the organization to develop areas of critical mass that implement standards and also provides access to everyone so that they can make comments to improve them. Even the newest member of the organization can look at the materials and make recommendations based upon his or her personal insight, creativity and experience.

A big challenge related to implementing a KMS is in transforming knowledge held by individuals, including process and behavioral knowledge, into a consistent technology format that can be easily shared with the organization's stakeholders.

Pillar 5: Resource Management: Nothing can be accomplished without resources. Resources are at the heart of everything that we do. Many organizations limit their thinking about resources to people and money. These two are important, but they are only a small part of the resources that an organization needs to manage.

Resource Management 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 considering 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 to pull all these different activities and improvement approaches together and prioritize them?" To solve this question, total-involvement approach to strategic planning 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 cannot be a postscript; 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. In the case of the five pillars that must be managed to achieve excellence, there are some common threads that run across all of them and they are Communication, Teamwork,

Empowerment, Respect, Honesty, Leadership, Quality, Fairness and 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. 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.

10.10 CHECK YOUR PROGRESS QUESTIONS:

1. Define Organisational Dynamics.
2. State the approaches of Organisational Effectiveness.
3. Point out the factors determining Organisational Effectiveness.
4. Spell out the meaning of Organisational Efficiency.
5. What do you understand by Organisational Excellence?
6. Indicate the five pillars of Organisational Excellence.
7. State the six stages of effectiveness through adaptive-coping cycle.

10.11 SUMMARY:

- Organisational dynamics refers to the patterns of movement over time in the interactions between the people who are the organization, the community of practice.

- There are four fundamental business activities that contribute to an organization's dynamics are planning, goal execution, leadership and resource control.
- Organisations that are capable of achieving their objectives within the constraints of limited resources are considered as effective organisations.
- In the words of Basi and Arnold, "Organisational Effectiveness is the extent to which an organisation, given certain resources and means, achieves its objectives without placing undue strain on its members".
- Directions, delegation, accountability, control, efficiency and coordination are the several criteria for organisational effectiveness.
- The concept of effectiveness is not simple because there are many approaches in conceptualizing this term. Such approaches

can be grouped into following four categories namely Goal Approach, Systems Approach, Internal Process Approach and Strategic Constituencies Approach.

- Likert has classified the factors affecting organizational effectiveness into following three variables namely Causal Variables, Intervening Variables and End-Result Variables.
- Organisation must develop a system through which it can adapt or cope with the environmental requirements. Schein has suggested that an organization can do this through the adaptive coping cycle, which consists of various activities that enable an organization to cope with the dynamics of environment.
- Adaptive-Coping cycle is a continuous process. Sensing of change, importing the relevant information, changing conversion process, stabilising internal changes, exploring new outputs and obtaining feedback are the six stages in the adaptive-coping cycle.
- Organisational Excellence is defined as the ongoing efforts to establish an internal framework of standards and processes intended to engage and motivate employees to deliver products and services that fulfill customer requirements within business expectations.
- Process management, project management, change Management, knowledge management and resource management are the five pillars of Organisational Excellence.

10.12 KEY WORDS

- **Organisational Dynamics:** Organizational dynamics is defined as the process of continuously strengthening resources and enhancing employee performances.
- **Organisational Effectiveness:** organization effectiveness is the efficiency of an organization, group, or company can meet its goals.
- **Strategic Constituencies Approach:** Under this approach, the organizational effectiveness depends on the degree to which an organization is able to satisfy different strategic constituencies (or interest groups).
- **Organisational Efficiency:** Organizational efficiency is the organization's ability to implement its plans using the smallest possible expenditure of resources.
- **Organisational Excellence:** Organizational excellence is defined as the ongoing efforts to establish an internal framework of standards and processes intended to motivate employees to

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deliver products and services that fulfill customer requirements within business expectations.

Knowledge Management System: Knowledge management is any system that helps people in an organization share, access, and update business knowledge and information.

10.13 ANSWERS TO CHECK YOUR PROGRESS

1. Organisational dynamics is defined as the process of continuously strengthening resources and enhancing employee performances. It can also be described as how an organisation manages and promotes organizational learning, better business practices and strategic management.

2. The four approaches of Organisational Effectiveness are Goal Approach, Systems Approach, Internal Process Approach and Strategic Constituencies Approach.

3. Likert has classified the factors affecting organizational effectiveness into following three variables namely Causal Variables, Intervening Variables and End-Result Variables.

4. Efficiency is primarily a criterion of the internal life of the organisation and it is concerned with the economic and technical aspects of the organisation. It considers the issue of how much input is necessary to attain a given level of output.

5. Organisational Excellence is defined as the ongoing efforts to establish an internal framework of standards and processes intended to engage and motivate employees to deliver products and services that fulfill customer requirements within business expectations.

6. Process management, project management, change management, knowledge management and resource management are the five pillars of Organisational Excellence.

7. Sensing of change, importing the relevant information, changing conversion process, stabilising internal changes, exploring new outputs and obtaining feedback are the six stages in the adaptive-coping cycle.

10.14 QUESTIONS AND EXERCISES

Short Questions:

1. Indicate the essential elements of Organisational Dynamics.

2. List out the approaches of Organisational Effectiveness.

3. Distinguish between Organisational Effectiveness and Organisational Efficiency.

4. Bring out the reasons for failure of project.

5. Spell out the different Phases of an Effective Knowledge Management system.

Long Questions:

1. Explain the Significance of Organisational Effectiveness.

2. Discuss the Approaches of Organisational Effectiveness.

3. Summarize the factors determining Organisational Effectiveness.

4. Explain the Interrelationship between Organisational Effectiveness and Organisational Efficiency.

5. Enumerate the five pillars of Organisational Excellence.

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UNIT XI ORGANISATIONAL CULTURE

Structure

11.0 INTRODUCTION

Achieving and maintaining quality of product and customer satisfaction are two most important factors of successful organisation. To achieve these twin objectives, an organisation has to marshal various resources, plan its use over a period of time and produce a product or service, which meets the consumer needs, desire and aspirations. Culture is invisible power of any organization. When thinking and actions of employees are institutionalized, an organizational culture is deemed to have taken birth. It guides the employees. Organisational culture is not inborn. It has to be invented and later developed over a period of time. It enables employees to perform within the framework of the organisation's culture. Environment plays a dominant role in developing the culture and so does demographic factors. That is why we generally refer to Japanese culture or Indian culture. It is therefore environment specific in nature. On examination it reveals that the organization's culture is informal in nature and relates to shared way of living.

It is a common binding factor in the organization. Organisation culture help develop professionalism among its employees. Value system is the corner stone of the organization culture. It promotes standardization in various systems and sub-systems, which reduce role conflict to a great extent. Once the culture is developed, it virtually becomes a people's organization from a functional point of view that promotes risk-taking among managerial cadre and generates novel ideas. It promotes communication that improves productivity and job satisfaction. India is a multi religious, multi-lingual multi-cultural society. Organization culture promotes equality and work culture. The corporate culture "consists of norms, values and unwritten rules of conduct of an organization as well as management styles, priorities, belief and interpersonal behaviours that prevail. Together they create climate that influences how well people communicate, plan and make decisions"

Organisation climate is nothing but its work environment as perceived by the individuals in the organsiation. Climate is manifested in the observable routines and rewards of the organisation. The routines are the events and practices of an organisation while rewards pertains to what behaviours get acknowleged and supported. Organisatioanl climate represents the mood of the organisation and influences the behaviour of employees. It reflects the employee perception of the organistaional culture. It refers to characteristics that distinguish one organisation from the others. It is a product of leadership practices, communication system, organisation structure and relationships among members.

Organisational climate influences motivation, performance, job satisfaction, employee behaviour and organizational behaviour. It is created by environmental factors, organisation structure, systems, culture, leadership, the situation and psychological needs of employees. Organisatioanl culture plays a dominant role in ceating and influencing Organisatioanl climate.

11.1 OBJECTIVES

After studying this unit, you should be able to

- Define organisational culture and list its features.
- Understand the components and significance of organisational culture.
- Outline the functions of organisational culture.
- Analyse the factors which create, sustain and change a culture.

- Distinguish between organizational culture and organisational climate.
- Summarize the factors determining organisational climate.

11.2 DEFINITION AND FEATURES OF ORGANISATION CULTURE

Organisational culture originates from the founders of the organization based on value system held by them. It is further passed on, down the line. Organizational culture is also a function of the nature of work and goals of the organization. It is visible from the organizational structure. Centralized command and control, strict hierarchy and fixed communication are indicative of formal culture with little freedom of action and with scant attention to innovation and creativity. While decentralized work culture will promote autonomy that will lead to greater job satisfaction. Peters and Waterman state, "Without exception, the dominance and coherence of culture proved to be an essential quality of the excellent companies. Moreover, the stronger the culture and more it was directed towards the market place, 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.

Edgar Schein defined culture as "A pattern of basic assumptions invented, discovered or developed by given group as it learns to cope with its problems of external adoption and internal integration worked well enough to be considered valuable and therefore, to be taught to new members as a correct way to perceive, think and feel, in relation to those problems."

Wagner III and Hollenbeck have defined organisational culture as "the shared attitude and perceptions in an organization that are based on a set of fundamental norms and values and help members understand the organization."

FEATURES OF ORGANISATIONAL CULTURE: The culture in every organisation is marked by certain characteristics. They are as follows:

1. Common Language and Terminology: Only the members of a particular organisation may be familiar with certain common language and terms peculiar to their work situation. They would have developed

these terms in view of their several years of work experience. A stranger or an outsider may not understand the real meaning of these terms.

2. Work Norms: The norms of work developed by the members of an organisation are reflective of its culture. If 'One need not be more loyal than the king' is the work philosophy of a particular organisation, 'Do anything to satisfy the customer' may be the philosophy of another.

3. Priorities: Every organisation has certain priorities. For example, if one organisation gives priority to maximum customer satisfaction another may give priority to product quality or prompt after-sale service.

4. Expectations: The employees in every organisation have certain expectations. For example, in certain organizations the practice may be to consult the existing employees in the matter of appointing new employees or in buying a new machinery and so on.

Whereas the employees may be indifferent to who is appointed. They may not have an expectation that management should consult them on such matters.

5. Guidelines for new Recruits: The organizational members may also prescribe guidelines for the new recruits. The latter can survive only if they faithfully follow such guidelines.

11.3 COMPONENTS OF ORGANISATIONAL CULTURE

1) Shared Assumptions: They represent practices and beliefs that have been successful in the past. Therefore they are considered to be the right approach to solve current problem or issues. Focus on innovation, concern for well being of employees, team work, importance to hierarchy are instances of shared assumptions.

2) Shared Values: Values reflect organizations beliefs that have high importance. They represent the principles that mould the thinking and behaviour of organizational members. Values are learnt from family, friends, society, religious influences and the socialization process. They do not change frequently and are stable in nature. Shared values are values shared by all the members of the organisation. Tradition and security may be shared values of a company while another company's share value may be challenging and winning.

3) Artifacts: They are the signs and symbols of an organization's culture. Some of the artifacts are the logo, website physical layout, facilities, dress code of employees, dining rooms, private parking spaces, rewarding of employees, the way visitors are treated etc.

4) Organisational Stories and Legends: Organisational stories and legends represent actions and reactions to situations by the organisation and leaders. These serve as a guide to employee behaviour. Newly joined recruits hearing these stories moel their behaviour based on them.

5) Rituals: Rituals are the regularly and routinely performed activities in an organisation that represent its culture. The flow of communication, the level of formality or informality in relationships, time allotted for breaks and rest intervals, formal or casual attitude of the employees, the way visitors are greeted and treated etc are the elements of rituals.

6) Ceremonies: They represent planned activities conducted for an audience. Launch of new products, rewarding of employees in public, celebration of anniversaries, achievements, inauguration of new plants and offices are instances of ceremonies. In an educational institution, the convocation during which degrees, diplomas, medal and awards can be stated as an example.

7) Communication: The language used by employees in communicating with co-workers and customers, the flow of communication, the tone of communication adopted during press conferences, company communication etc reflect the culture of the organisation.

11.4 SIGNIFICANCE OF ORGANIZATIONAL CULTURE

Organisational culture is the set of values that states what an organization stands for, how it operates and what it considers important. According to Deal and Kennedy, a strong culture is. "A system of informal rules that spells out how people have to behave most of the time". Schein defines organizational culture as the pattern of basic assumptions that a given group has invented, discovered and developed while learning to cope with its problems of external adaptation and internal integration.

Culture plays a very significant role in any organization by communicating information about the overall acceptable and unacceptable behavior. Culture communicates whether the organization expects its managers to be aggressive or conservative in decisions-making, generous or moderate in supporting social causes and ruthless or kind in competitive dealings. Some organizations have clear, strong and well-defined culture whereas others have ambiguous, weak and poorly defined cultures. Most managers agree that a strong and clear

culture is preferable to weak and vague culture because it helps to provide a common frame of reference for managerial decision-making and a wide variety of other organizational activities. An organizational culture generally lakes shape over time and is often deeply influenced by the values of the organizational founders. As organizational culture evolves, various symbols, stories, heroes, slogans and ceremonies also come into being. These, then, serve to maintain and perpetuate the culture through subsequent generations of employees.

11.5 FUNCTIONS OF ORGANISATIONAL CULTURE

The functions of organisational culture are summarized as follows:

(a) **It gives members an organizational identity**: Sharing norms, values and perceptions gives people a sense of togetherness that helps promote a feeling of common purpose. Culture provides shared pattern of cognitive perceptions or understanding about the values or beliefs held by the organization. This enables the organizational members how to think and behave as expected of them.

(b) **It facilitates collective commitment.** The common purpose that grows out of shared culture tends to elicit strong commitment from all those who accept the culture as their own. It provides shared – pattern of feelings to the organizational members to make them know what they are expected to value and feel.

(c) **It promotes systems stability.** By encouraging a shared sense of identity and commitment, culture encourages lasting integration and cooperation among the members of an organization. It enhances social stability by holding the organizational members together by providing them appropriate standards for which the members should stand for.

(d) **It shapes behaviour by helping members make sense of their surroundings.** An organization culture serves as a source of shared meaning that explains why things occur the way they do. Organizational culture is not fully visible but felt. At less visible level culture reflects the value shared by organizational members.

(e) **It provides a boundary:** Culture creates distinction between one organization and the other. Such boundary – defining helps identify members and non-members of the organization. Culture facilitates the generation of commitment to something larger them one's individual self-interest. It serves as a control mechanism that guides and shapes the attitude and behaviour of organizational members.

(f) **Conformity:** It helps organizational members stick to conformity and expected mode of behaviour. Culture ensures that everyone thinks and behaves in a prescribed manner.

11.6 CREATING ORGANISATIONAL CULTURE:

Mentioned below are a couple of approaches to the creation of organisational culture:

1. **Founders' values and beliefs:** The founders of every organisation have certain values and beliefs. The people employed by them must work with them so realise and sustain the goals and values for which the organisation itself has been established. A business organisations, for example, may be established with the sole objective of selling essential consumer goods of good quality at the lowest price.

2. **Critical Incidents:** Certain critical incidents that may arise in an organisation may also pave way for the creation of a certain culture. A very high rate of labour turnover owing to low pay, for example, may force the management to evolve a sensible pay policy. It may be mentioned here that most of the self-financing colleges that were collecting high fees from the students had to cut down the same drastically owing to poor student enrolment.

   The indifferent attitude of a particular management may promote employee indiscipline. Such a trend many prove to be detrimental to the interest of the organisation. Under such circumstances, some member of the management has to take the initiative to set right things by evolving certain tough measures to discipline the employees.

11.7 SUSTAINING ORGANISATIONAL CULTURE:

Once a certain culture is created, the next step is to sustain it, ie., to make it remain. For sustaining culture, the following approaches are useful:

1) Selection of the Right man for the Right job: In the matter of employee selection, it is not enough to consider only the academic achievements and skills o f he individual should the organisational culture be sustained. An individual who is well qualified and trained may not be prepared to accept the organisation's culture. It is, therefore important that the principle of 'right man for the right job' is applied to find out the preparedness of an individual to accept and follow faithfully the organisation's practices.

2) Actions of the Top Management: For the sustenance of organisational culture, the top management has to play a major part, It shall reiterate its values, beliefs ad goals by advising the middle and supervisory level managers and through them the employees of the entire organisation. The moment the top management discovers any deviation from the basic norms of the organisation, it shall take appropriate action to set right things.In the matter of sustaining organisational culture, the following areas require periodical review by the top management:

- Adherence by the employees to the basic values of the organisation.
- Superior-Subordinate Relationships
- Work commitment and involvement
- Employee attendance
- Punctuality
- Union activities
- Labour turnover
- Customer service etc.

3)Preparing the New Employees to Adapt (Socialisation): As the new employees are not familiar with the organisation's culture, they must be prepared to adapt. Such an adaptation process is known as 'socialisation'. Socialisation involves the following three stages:

- **Pre Arrival**- It refers to all the learning that occurs before a new employee joins the organisation.
- **Encounter**- At this stage, the new recruit starts comparing the expectations he had in the pre arrival stage with reality.
- **Metamorphosis-** It means change of condition or character by magic or natural development. At this stage, the employee masters the art of adapting to the organisation's values and norms.

11.8 METHODS OF TRANSMITTING ORGANISATIONAL CULTURE

The organisational culture is transmitted to the employees usually through the following means:

(i)Stories: One way of transmitting the organisational culture to the employees is by narrating the hardships and sufferings of those who have founded the organisation.

The present generation of employees may not be aware of the difficulties faced by the founders during the early days of inception of the organisation. Once they are made to understand the same, they will be able to appreciate and also emulate the values and beliefs for the promotion of which the organisation has been founded.

(ii) Rituals: The core values of an organisation are reflected in certain rituals performed as a matter of routine. Daily Morning Prayer, weekly family dinner, monthly picnic, annual award presentation function etc. are a few examples of such rituals.

The performance of these rituals helps the employees appreciate the organisation's culture.

(a) Physical Symbols: Certain physical symbols used in the organisation do reflect its culture. Inscribing the logo of the organisation in all the stationery items provided for the staff, elegant uniforms for different categories of employees, reserved car park for executives, luxurious office furnishings etc. Are examples of physical symbols.

(b)Language: Over a period of time every organisation develops certain unique terms to describe the staff, customers, suppliers, equipment, work situations and so on.

It may take some time for a new employee to become familiar with these terms that are used effortlessly by the existing employees.

By learning the language of the organisation, the members convey their acceptance of the organisational culture.

(c) Slogans: Slogans can also be useful in making the not only the employees but also those who deal with the organisation understand and appreciate its culture. "Customer satisfaction is our Motto", "Efforts never fail", "Every customer is important to us", etc. is a few slogans that symbolise what the organisation stands for.

11.9 MEANING AND DIMENSIONS OF ORGANISATIONAL CLIMATE

The term, 'Organisational climate' is defined as a relatively enduring quality of the internal environment of an organisation as perceived and experienced by its members, which can be described in terms of specific dimensions or characteristics and which influences the patterns of behaviour and work performance of members. It is the totality of interacting and interrelated internal dimensions or characteristics which significantly influence the motivation of members. Organisation climate evolves over a fairly long period of time and is relatively stable. Since the dimensions of climate are

internal, they can be measured, controlled and changed by the organisation, if it so decides. Organisational climate is the major frame of reference for the member's interpretation of organisational decisions and actions as also their own attitudes, behaviour and performance.

Dimensions of Organisational Climate: Some of the common dimensions of organisational climate are given below:

1. Individual Autonomy: It implies the degree to which employees are free to manage themselves, have considerable decision-making power and are not continuously accountable to higher management. Thus, it means the individuals freedom to exercise responsibility.

2. Position Structure: It refers to the degree to which objectives of the job and methods for accomplishing it are established and communicated to the employees. In other words, it means the extent of direct supervision, formalisation and centralisation in an organisation.

3.Reward Orientation: It means the degree to which an organisation rewards individuals for hard work or achievement. Reward orientation is high when an organisation orients people better and rewards them for doing so.

4.Conflict: It implies the degree of conflict present between individuals and the willingness to be honest and open about interpersonal differences.

5. Risk taking: It means the degree to which individuals feel free to try out new ideas without fears of reprisal, ridicule or other forms of punishments.

6.Consideration and Support: It is extent of stimulation and support, which an individual receives from other member of the organisation. When there is a sense of team spirit among the organisation members, the organisational climate is perceived as considerate, warm and supportive.

7. Progressiveness and Development: It implies the degree to which condition in the organisation foster the development of employees, allow scope for growth and application or new ideas and methods.

8.Control: It is the degree to which control over the behaviour of members is formalized. For instance, in a highly bureaucratic organisation, control systems are well defined. On the other hand in non-bureauratic organisations, individuals monitor their own behaviour, i.e. most of the controls are self-regulated.

11.10 MEANING AND DIMENSIONS OF ORGANISATIONAL CLIMATE

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

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

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

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

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

5. System Values and Norms: Every organization has discernible and fairly formal value system where certain kinds of behaviors are rewarded and encouraged and certain kinds of behavior forces an

individual to formal sanctions. The formal value system is communicated to employees through rules, regulations and policies. But informal value system is very difficult to ascertain. But both exert influence on organizational climate.

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

11.11 IMPACT OF ORGANISATIONAL CLIMATE

Every organisation needs a sound climate in order to achieve its goals. Organisational climate is very important for studying and analyzing organisations. It provides a useful platform for understanding the stability, creativity, innovation, communication and effectiveness of organisations.

Organisational climate has major influence on human performance through its impact on individual motivation, job satisfaction and morale. Many research studies show positive correlation between type of organisational climate (e.g., trust and confidence versus fear and reprisal) and individual satisfaction, motivation and attitudes.

Organisational climate creates certain kinds of expectations about what consequences will follow different actions. Individuals in an have certain expectations and fulfilment of these expectations satisfaction of their needs. Thus, organisational climate provides a type of work environment in which individual feels satisfied or dissatisfied. Organisational climate influences performance to the extent satisfaction of members determines their efficiency.

Organisational climate influences the satisfaction, attitudes and performance of people in four different ways.

- Organisational climate defines the stimuli for an individual. Organisational factors work as stimuli. The level of arousal directly influences the level of constraints upon the individual's freedom of choice.

- Organisational variables operate as constraints. They also provide knowledge of what kinds of behaviour are rewarded

and punished. organisation can influence behaviour by attaching different rewards and punishments to varying patterns of behaviour. This assignment of different values to behavioural outcomes would then influence the behaviour of those people most interested in those specific values. Thus, organisational climate provides sources of rewards and punishments.

- Organisational climate may influence behaviour through evolution of the self and others. Such evolution will in turn influence behaviour. There are both physiological and psychological variables associated with this evolution process.
- Organisational variables influence the behaviour in that they influence the individual to form a perception of the organisation. This perception then influences behaviour.

11.12 DIFFERENCES BETWEEN ORGANISATION CULTURE AND ORGANISATION CLIMATE

Organisational Culture	Organisational Climate
Culture is the personality of an organisation	Climate is the mood or prevailing atmosphere within the organisation.
Culture is a sociological concept	Climate is a psychological concept.
It refers to the lifestyle of the organisation.	It refers to the feelings and perception individual members towards their work environment.
Culture represents the actual situation.	It represents individual perceptions of the actual situation.
It is concerned with the evolution of social systems	It is concerned with the impact of social systems on individual and groups.
It describes and informs what an organisation is about.	It deals with the employees perception of what the organisation is about.
The study of culture requires indepth understanding of assumptions, beliefs and values	The study of climate requires understanding of employee perception of procedures and practices.

11.13 CHECK YOUR PROGRESS QUESTIONS

1. Define culture.
2. What are the components of Organisational culture?
3. How to create an Organisational Culture.

4. What are the dimensions of Organisational Climate?

11.14 SUMMARY

- Organisational culture originates from the founders of the organization based on value system held by them. It is also a function of the nature of work and goals of the organization. It is visible from the organizational structure.

- Organisation climate is nothing but its work environment as perceived by the individuals in the organsiation. Climate is manifested in the observable routines and rewards of the organisation.

- The culture in every organisation is marked by certain characteristics. The features of Organisational Culture are Common Language and Terminology, Work Norms, Priorities, Expectations and Guidelines for new Recruits.

- Shared Assumptions, Shared Values, Artifacts, Organisational Stories and Legends, Rituals, Ceremonies and Communication are the components of Organisational Culture.

- Culture plays a very significant role in any organization by communicating information about the overall acceptable and unacceptable behavior. Organizational culture is the set of values that states what an organization stands for, how it operates and what it considers important.

- An organizational culture generally lakes shape over time and is often deeply influenced by the values of the organizational founders.

- The functions of organisational culture are summarized as follows and they are organisational identity to the members, It facilitates collective commitment, promotes systems stability, shapes behaviour by helping members make sense of their surroundings, provides a boundary and Conformity

- Once a certain culture is created, the next step is to sustain it, ie., to make it remain. For sustaining culture, the following approaches are useful. They are Selection of the right man for the right job, actions of the top management and preparing the new employees to adapt through the culture of organisation.

- The organisational culture is transmitted to the employees usually through the following means like Stories, Rituals, Physical Symbols, Language and Slogans.

- Some of the common dimensions of organisational climate are given below are Individual Autonomy, Position Structure, Reward Orientation., Conflict, Risk taking., Consideration and Support, Progressiveness and Development and control.

11.15 KEY WORDS

Organisational Culture: Organizational culture is defined as the underlying beliefs, assumptions, values and ways of interacting that contribute to the unique social and psychological environment of an organization.

Work Norms: Group norms are the informal guidelines of behavior and a code of conduct that provides some order and conformity to group activities and operations. These rules are expected to be followed by all the group members.

Artifacts: Artifacts are the overt and obvious elements of an organization.Artifacts can be easy to observe but sometimes difficult to understand, especially if analysis of a culture never goes any deeper.

Rituals: Rituals usually have a goal or objective, such as learning something new or getting to know a recent hire. Ceremonies and rites usually take place on an organizational level.

Ceremonies: They are something that the employee does on a regular basis, such as daily or weekly. Ceremonies and rites usually take place on an organizational level.

Organisational Commitment: Organisational commitment is an individual's psychological attachment to the organization.

Critical Incidents: The critical incident technique is a research process that invites respondents to identify events they deem significant for a particular purpose.

Autonomy: Autonomy in the workplace refers to how much freedom employees have while working.

11.16 ANSWERS TO CHECK YOUR PROGRESS

1. Organisation climate is nothing but its work environment as perceived by the individuals in the organsiation. Climate is manifested in the observable routines and rewards of the organisation.

2. Shared Assumptions, Shared Values, Artifacts, Organisational Stories and Legends, Rituals, Ceremonies and Communication are the components of Organisational Culture.

3. Founders' values and beliefs and Critical Incidents are a couple of approaches to the creation of organisational culture.

4. Some of the common dimensions of organisational climate are given below are Individual Autonomy, Position Structure, Reward Orientation., Conflict, Risk taking, Consideration and Support, Progressiveness and Development and control.

11.17 QUESTIONS AND EXERCISES

Short Questions:

1. State the meaning of Organisational Culture.

2. What are the characteristics of Organisational Culture?

3. State the means to sustain an Organisational Culture.

4. State the meaning of Organisational Climate.

5. What are the differences between Organisational Culture and Organisational Climate?

Long Questions:

1. Discuss the significance of Organisational Culture.

2. Summarize the functions of Organisational Culture.

3. Explain the various methods of transmitting Organisational Culture.

4. Elaborately explain the factors influencing Organisational climate.

5. Enumerate the measures for developing a sound Organisational Climate.

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BLOCK IV: CHALLENGES OF ORGANISATIONAL DEVELOPMENT
UNIT XII ORGANISATIONAL CHANGE AND DEVELOPMENT

Structure:

12.0 INTRODUCTION

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

Change simply refers to alteration in the existing conditions of an organisation. Even in most stable organisations change is necessary to maintain stability. The economic and social environment is so dynamic that without adapting to such change even the most successful organisations cannot survive in the changed environment. Therefore, management must continuously monitor the outside environment and be sufficiently innovative and creative to implement these changes

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effectively. Organisations encounter different forces for change. These forces come from external and internal sources of the organization.

12.1 Objectives

After reading this lesson, you should be able to:

- Appreciate Why organizations must change.
- Explain Steps in The Change Process.
- Understand the nature of Organisational Change.
- Identify the causes of Organisational Change.

12.2 MEANING AND DEFINITION OF ORGANISATIONAL CHANGE

The term change in the organization context refers to any alteration that occurs in the work environment. Planned changes mean those changes which are effected in a planned manner after assessing the need for change and working out the details as to when and how they will be carried out. A planned change is also called proactive change. In contrast, reactive change is the one which takes place in random fashion as a crisis situation develops. For proactive or planned change to be initiated, manager shall be sensitive to the environmental changes affecting the organization so that organizational crisis situations can be averted. Planned change or pro active change is purposeful or goal directed. There are two widely recognized goals of the planned change. One, it sets to improve the organizational ability to cope with, or adapt to change environment. Second, it seeks to change employee knowledge, attitude and behavior. Change in any part of the organization tends to effect the whole organization. Change is a human as well as a technical problem. Whenever there is a change, social equilibrium in the organization is affected. When change occurs in the organization, it requires employees to make new adjustments as the organization seeks new equilibrium.

DEFINITIONS:

According to **Chohen** Organisational Changes involves, "moving from the known to the unknown, from relative certainty to relative uncertainty, from the familiar to the unfamiliar".

Ferdig and Ludema define organisational change as, "a process that unfolds over time, revealing periods of greater and lesser instability, in which the restlessness of a system is an instinctive response towards survival in a continually changing environment".

12.3 FEATURES OF CHANGE

The features of change are as follows:

1) Change results from stimuli: Change results from stimuli from both within and outside the organisation.

2) Caused by environment or Subsystems: The environment in which organisation function does not remain static. It keeps changing. Organisations have to adapt to the changes in the environment. There are several subsystems and change in any subsystem causes changes throughout the organisation.

3) Change is structural: Organisational change refers to alternations in structural relationships. It involves change in roles of employees in the organisation.

4) Is Pervasive: Change is pervasive in nature. It is constant and affects all organisations. The rate and impact of change may vary from one organisation to another.

5) Results in Multiple ways: Change can be caused by multiple factors and can happen in many ways. There can be changes in (i) organisation structure (ii) policies and procedures (iii) technology used (iv) market situation and (v) competition.

6) Causes Disturbance: Any change disturbs the existing position or equilibrium in an organisation. The relationship of the organisation with its internal and external environment is disturbed. It requires organisational members to adjust to the new situation.

7) Degree of change: Managers identify the need for change by scanning the environment. They identify the gap between the actual position and desired position. The extent of the gap decides the degree of change. If the gap is wide, high degree of change would be required.

12.4 NATURE OF ORGANISATIONAL CHANGE

Organizational change is the process by which organizations move from their present state to some desired future state to increase their effectiveness. Goal is to find improved ways of using resources and capabilities in order to increase an organization's ability to create value.

Organizations introduce changes through people. Unless the people are willing to accept the need and responsibility for organizational change, intended changes can never be translated into reality. In addition, individuals have to learn to adapt their attitudes and behavioral patterns to constantly changing environments.

Management of change involves both individual and organizational change. Individual change is behavioral change, which is

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determined by individual characteristics of members such as their knowledge, attitudes, beliefs, needs, expectations and skills. It is possible to bring about a total change in an organization by changing behaviors of individual members through participative and educative strategies. Although, the degree of difficulty involved in the change and the time taken to bring about the change will depend on the target of change.

The attitudes towards change are largely dependent on the nature of the situation and the manner in which changes are initiated and executed. Changing individual behavior is more time consuming and a difficult task. The linkage between attitude and behavior is not direct and therefore changing behavior is more difficult than changing attitudes. One's attitude does not necessarily get reflected in one's behavior.

Bringing total behavioral change in all the groups and members of an organization involves difficult long-range effort. More often than not, it is a slow painful process to usher a total cultural change in an organization. It is possible to change total organization without focusing at the level of individual's change of knowledge, attitude and behavior. Modification in the organization's structures, policies, procedures and techniques leads to total organizational change. These types of changes alter prescribed relationships and roles assigned to members and eventually modify the individual members' behavior and attitudes. As these two kinds of changes are interdependent, the complexity of managing change increases manifold.

12.5 CAUSES OF ORGANISATIONAL CHANGE:

Change simply refers to alteration in the existing conditions of an organization. Even in most stable organizations change is necessary to maintain stability. The economic and social environment is so dynamic that without adapting to such change even the most successful organizations cannot survive in the changed environment. Therefore, management must continuously monitor the outside environment and be sufficiently innovative and creative to implement these changes effectively. Organisations encounter different forces for change. Organisations interact with the environment and have to adapt to changes in the environment. These forces come from external and internal sources of the organisation:

A) External Factors: External forces for change originate outside an organisation. The external factors that force organisations to change are:

1. Technology: Technological developments are happening in a rapid pace in the industries. Improvements in computerisation, automation, telecommunication etc., have changed the nature of jobs. They have changed the way in which organisations function. Outsourcing, flexible timings, telecommuting have all emerged because of technology. Skills of employees have to be upgraded continuously to enable them to cope with technological developments.

2. Labour Market: The knowledge, aspirations and expectations of present day employees are much higher. The composition of the workforce is changing with the presence of more women, differently abled, weaker sections etc., Organisations have to consider these factors while preparing employee policies. They should be able to satisfy the changing needs of employees.

3. Economic Conditions: Growth rate of the economy, sectoral growth rates, purchasing power, employment, inflation, currency rates have important influence on organisations. Liberalisation and globalisation pose challenges and provided opportunities to organisations. Population which was once considered as a problem is now regarded as an essential requirement for growth.

4. Growth of Knowledge: There has been a large increase in the number of schools, colleges and research institutions. There is greater scope for inventions and innovations. This has resulted in availability of skilled manpower and knowledge workers. Organisations have to modify their HR policies considering these changes.

5. Politics and Government: Politics plays an important role in influencing business. The government regulates business through various rules and regulations. Each country has its own political system and policies. When governments change, policies and procedures may also change. Organisations have to adapt to the changing government regulations.

6. Competition: In all industries, competition is intense. Competition is global and competitors can emerge from any country. Competition can come from the same industry and from any industry.

7. Social change: Due to increase in educational opportunities and government efforts, social changes are happening. Television and internet have spread social awareness to the wide population. This has increased the speed of social change. The joint family system has

almost disappeared and caste system is becoming weaker. There is increased demand for equal opportunity to women and minorities, equal pay for equal work etc., Management has to follow social norms in preparing its employment, human resources and marketing policies.

B) Internal Factors: Internal forces for change come from inside the organisation. This may come from both human resource problems and managerial behavior. The internal factors that influence change in organisation are:

1. Changes in Managerial Personnel: Managers may retire, resign or get transferred. When new managers replace them, they may come with their own ideas and methods of working. They can have different attitudes and cause changes in informal relationships. Organisations have to adapt to these changes.

2. Changes in Top Management: Each CEO has his own values, beliefs and style of working. Changes in top management may result change in organisational polices, strategies, structure, and delegation of authority.

3. Changes in workforce: The profile and nature of the workforce is changing. The modern workforce is better educated, gives more importance to career growth, learning and autonomy. They have personal goals and move to companies which help them in achieving their goals. Retention of talented employees has become an important focus area.

4. Weakness in existing structure: Weakness in existing structure can be cause of the change. Weakness relates to many levels of management, lack of Coordination, line and staff conflicts, lack of uniform policies etc., Changes may be required to overcome the problems of the existing structure.

12.6 LEWIN'S MODEL OF ORGANISATIONAL CHANGE

Unless the behavioural patterns of the employees change, the change will have a little impact on the effectiveness of the organisation. Most theories of organizational change originated from the landmark work of social psychologist Kurt Lewin. Lewin developed a three-stage model of planned change, which explained how to initiate, manage and stabilize the change process. The three stages are unfreezing, changing and refreezing.

Before reviewing each stage, it is important to highlight the assumptions on which, this model is based:

- The change process involves learning something new, as well discontinuing current attitudes, behaviors and organizational practices.
- Change will not occur unless there is motivation to change. This is often the most difficult part of the change process.
- People are the hub of all organizational changes. Any change, whether in terms of structure, group process, reward systems or job design requires individuals to change.
- Resistance to change is found even when the goals of change are highly desirable.
- Effective change requires reinforcing new behaviors, attitudes and organisational practices.

The following are the three stages of change:

(1) Unfreezing: The essence of unfreezing phase is that the individual is made to realise that his beliefs, feelings and behaviour are no longer appropriate or relevant to the current situation in the organisation. Once convinced, people may change their behaviour. Reward for those willing to change and punishment for others may help in this matter.

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┌──────────────┐      ┌──────────────┐              ┌──────────────┐
│ Changes in   │ ───► │ Change in    │  Through ──► │ Unfreezing   │
│ Organisation │      │ Behaviour of │           ╱  ├──────────────┤
│              │      │ People       │ ─────────◄   │ Changing     │
└──────────────┘      └──────────────┘           ╲  ├──────────────┤
                                                     │ Refreezing   │
                                                     └──────────────┘
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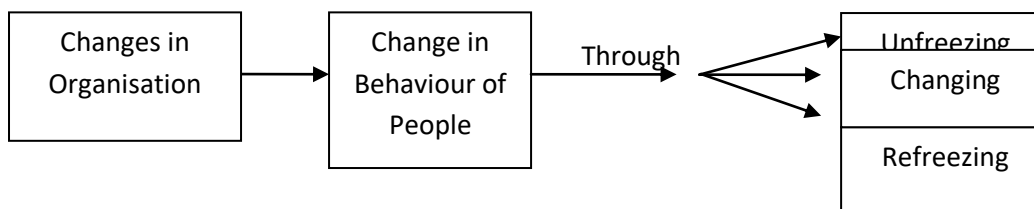
FIG.12.1. THREE STAGES OF ORGANISATION CHANGE

(2) Changing: Once convinced and ready to change, an individual, under this phase, learns to behave in new ways. He is first provided with the model in which he is to identify himself. Gradually he will accept that model and behave in the manner suggested by the model. In another process (known as internalisation), the individual is placed in a situation where new behaviour is demanded of him if he is to operate successfully.

(3) Refreezing: During this phase, a person has to practice and experiment with the new method of behaviour and see that it effectively blends with his other behavioural attitudes. Reinforcement, for creating a permanent set in the individual, is provided through either continuous or intermittent schedules.

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Expanded Process Model: Lewin's model is very simple and straight forward and virtually all models of organizational change use his approach. However, it does not deal with several important issues. Expanded process model looks at planned change from the perspective of top management. The model incorporates Lewin's concept as part of the implementation phase.

Top management according to this model perceives certain forces or trends that call for change and issues that are subjected to the organization's usual problem solving and decision-making processes. Usually, the top management defines its goals in terms of what the organization or certain processes, or outputs will be like after the change. Alternatives for change are generated and evaluated and then an acceptable one is selected.

12.7 CHECK YOUR PROGRESS QUESTIONS

1. What do you understand by organizational change?
2. List out the causes of organisational change.
3. State the external forces contributing to organisational change.
4. Spell out the meaning of unfreezing.

12.8 SUMMARY

- Changes are taking place all around without exception. It is but natural that everything changes over time. What remains constant is change itself? Change simply refers to alteration in the existing conditions of an organisation. Even in most stable organisations change is necessary to maintain stability.

- The features of change are the changes results from stimuli, caused by environment or Subsystems, Change is structural, change is pervasive, results in multiple ways, causes disturbance and degree of change.

- Organisational change is the process by which organizations move from their present state to some desired future state to increase their effectiveness. Goal is to find improved ways of using resources and capabilities in order to increase an organization's ability to create value.

- The attitudes towards change are largely dependent on the nature of the situation and the manner in which changes are initiated and executed.

- Organisations encounter different forces for change. Organisations interact with the environment and have to adapt

to changes in the environment. These forces come from external and internal sources of the organisation.

- Most theories of organisational change originated from the landmark work of social psychologist Kurt Lewin. The three stages are unfreezing, changing and refreezing.

12.9 KEY WORDS

Organisational Change: Organizational change can be defined as the alteration in structure, technology or people in an organization or behavior by an organization.

Technology: Innovation is a process of translating knowledge within and beyond the boundaries of an organization in a manner that results in a competitive advantage for the organization.

Economic Conditions: Economic conditions refer to the present state of the economy in a country or region.

Unfreezing: This method involves preparing employees for change, making changes, and finally integrating and normalizing those changes within the organization.

Refreezing: In the final stage, the Refreeze stage, the changes made in the second stage are normalized in the organization's day-to-day activities.

12.10 ANSWERS TO CHECK YOUR PROGRESS:

1. Organisational Changes involves moving from the known to the unknown, from relative certainty to relative uncertainty, from the familiar to the unfamiliar.
2. Organisations encounter different forces for change. Organisations interact with the environment and have to adapt to changes in the environment. These forces come from external and internal sources of the organisation.
3. Technology, Labour Market, Economic Conditions, Growth of Knowledge, Politics and Government, Competition and Social change are the external forces contributing to organsiational change.
4. In unfreezing phase, the individual is made to realise that his beliefs, feelings and behaviour are no longer appropriate or relevant to the current situation in the organisation. Once

convinced, people may change their behaviour. Reward for those willing to change and punishment for others may help in this matter.

12.11 QUESTIONS AND EXERCISES:

Short Questions:
1. What do you mean by organisational change?
2. Bring out the features of change.
3. State the nature of organisational change.
4. List out the different stages of Lewin's model of organizational change.

Long Questions:
1. Explain the factors influencing organisational change.
2. Discuss Lewin's model of organizational change in detail.

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UNIT XIII RESISTANCE TO CHANGE

Structure

13.0 INTRODUCTION

Change simply refers to alteration in the existing conditions of an organisation. Even in most stable organisations change is necessary to maintain stability. The economic and social environment is so dynamic that without adapting to such change even the most successful organisations cannot survive in the changed environment. Organisational change involves changes in structure, relationships and roles of organisational members. It has to adapt changes in the environment. Therefore, management must continuously monitor the outside environment and be sufficiently innovative and creative to implement these changes effectively. Organisations encounter different forces for change. These forces come from external and internal sources of the organisation.

Generally, people prefer the existing situation to continue and resist change. Resistance to change is human behaviour which emerges to protect human beings from the actual or perceived effect of change. It may occur at the individual level, group level and the organizational level. Man by nature does not prefer change because there is fear of new and unknown. Adapting to new ideas and methods can be painful

and difficult. Whenever individuals or groups feel that change might have a negative impact on them, they resist change.

13.1 OBJECTIVES

After studying this chapter, you should be able to:
- Define and discuss planned change.
- Know Why Change Is Resisted.
- Understand the process of resistance to change and means of overcoming resistance.
- Understand the Strategies used by the Management to make the Change Effective.

13.2 REASONS FOR RESISTANCE TO CHANGE

Many a time change is resisted by employees, even if the change is for their benefit and the organisation. Resistance to change is perhaps one of the unsolved problems a manager encounters because it can assume many forms. The effects of resistance may be overt or implicit, may be subtle and cumulative. Implicit resistance may be manifested in tardiness, loss of motivation to work, increased absenteeism and the requests for transfer etc. Overt resistance, on the other hand, assumes the form of wildcat strikes, shoddy work, and reduction in productivity etc.

In fact, there may be near-infinite reasons why people resist change in the organisation. According to Keith Davis, the following are the main reasons for resistance to change.

1) **Economic Reasons**: Keith Davis, remarks "People fear technological advances may result in unemployment, reduced work hours, demotion, reduced wages and reduced incentives and hence resist change."

2) **Obsolescence of Skills**: Sometimes, however, introduction of new technology throws people away from doing important jobs (or demanding works) to less important or dead-end ones where little or no skills are required to exhibit. More realistically, when people perceive psychological degradation of the job they are performing they resist such a change.

3) **Preference for Status Quo:** Perhaps the biggest and the soundest reason for the resistance to change is the preference for status-quo. People have vested interest in the status quo. Change may pose disturbance to the existing comforts of status quo.

4) **Fear of the Unknown:** Change presents the unknown things, which cause anxiety. Whenever people do not know exactly what is likely to

happen, they are likely to resist it. The unknown thing poses a constant threat. Thus people resist change and its consequences.

5) Social Reasons: Economic and personal reasons for the resistance apart, some social reasons may also be accountable for the possible resistance to change. Social displacements and peer pressure are among those social reasons that are very important for the manager to consider when dealing with resistance to change.

6) Social Displacements: Introduction of change often results in breaking up of work groups. In the work environment develop informal relationships. When the friendship with fellow members is interrupted, then there is a possibility for the employees to experience psychological let down. When the social relationships develop, as normally is the case, people try to maintain them and fight social displacement by resisting change.

7) Peer Pressure: Situations are not rare where individuals are prepared to accept change at their individual level, but refuse to accept it for the sake of the group.

8) Security: People have to learn new methods of doing things. They are not sure whether they would become adept in the new method even after training. This fear of retraining the effectiveness with new methods creates a sense of insecurity in the minds of the people. This is apart from the economical job security.

9) Undermining of Status and Authority: The newer technologies and methods may do away with part of the status and authority that is vested with a position earlier. For example if the work methods are completely automated, the supervisor feels that his authority and status are undermined and that he will have no control over the subordinates and they will not respect or obey him.

10) Retraining: Change may require the employee to go for retraining to update his/her skill to work with the newer machines. But some may be scared to interact with the new machines and methods. People prefer the status quo. Most of the people are comfortable with the existing set up. This may also add to the resistance to change.

11) Non-Involvement in the Decision Making: People may resist change if they are not consulted before the introduction of change. Whenever changes are introduced without the participation of those who are concerned with the change, they will definitely resist change. On the other hand, if the contemplated changes are the result of the participation of all those who are going to be affected, it will make them to take personal interest to see that the change works.

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13.3 MANAGING RESISTANCE TO CHANGE

Organisational change is inevitable. Therefore, managers should be sensitive to the barriers or resistance to changes so that it can be overcome. Resistance to change is a form of feedback that can be used very productively to manage the change process. One of the basic problems in managing change is to overcome people's change. If change is imposed by way of formal authority, it may not be successful in majority of cases. Ordinarily the following techniques are commonly used by managers in order to overcome resistance to change. Kotter and Schlesinger (1979) identified six general approaches to handling resistance. They are as follows:

a) Education and Communication: Resistance can be reduced through communication with employees and help them to visualise the logic of a change. Resistance can be expected if the nature of the change is not made clear to the individual who is going to be affected by change. If employees are aware of the facts, automatically their misunderstanding gets cleared up. This can be done through listening, group presentation etc. Different people see different meanings in a proposed change. People may distort the information if they see discomfort and threats in their past work situation.

b) Participation: Participation is the involvement of the individuals who resist changes in the decision making process. It becomes difficult for them to resist change as they have participated in decision-making.

c) Facilitation and support: The change agents can offer counseling, new skills training when the employee fears and anxiety are high. This would help in reducing the resistance to change. It is expensive and results are uncertain.

d) Negotiations: Potential resistance to change can be dealt with through negotiations. A specific reward package may be negotiated that will meet their individual needs. If the resistance is centered in a few powerful individuals, there is a possibility of being blackmailed by others.

e) Manipulation and Co-operation: Manipulation is distortion of facts and withholding of the desirable information to accept change. Co-operation, on the other hand is a form of both manipulation and participation. It seeks to buy off the leaders of a resistance group by giving them a key role in the change decision. If the individuals are alert, the change agents' credibility may drop to zero.

f) Coercion: The organisation, as a last resort, can apply direct threats on the resisters to make them ready to accept the proposed change. Coercion is the application of threats of force upon resistance. Examples of threats include threats of transfer, loss of promotion, negative performance evaluation, poor report on performance, and dissatisfactory recommendation etc.

13.4 STEPS TO BE FOLLOWED IN INTRODUCING CHANGE

Management of organisational change is a complex phenomenon involving formidable exercises on the part of the management. Before a particular change is shaped and implemented effectively in an organisation, certain minimum number of steps need be followed and they are as follows:

1. Recognise need for change: The first step in this model is recognizing need for change. For marketing managers who anticipate needed. Change, recognition is likely to come much earlier, as a result of marketing forecasts indicating new market potential, expert indications about impending socio-economic change or a perceived opportunity to capitalize on a key technological breakthrough. These managers tend to 'initiate change because they expect it to be necessary in the near future in any case.

2. Establish goals for change: The manager must then set goals for the proposed change. It is important for the manager to specify goals that the change is supposed to accomplish. The goals can be set to maintain or increase the market standing, to enter new markets, to restore employee morale, to reduce turnover, to settle a strike and to identify good investment opportunities.

3. Diagnose relevant variables: An important next step is diagnosing organizational variables that have brought about the need for change. Turnover, for example, may be caused by a variety of factors such as low pay, poor working conditions, poor supervision, better alternatives in the job market or employee job dissatisfaction etc. Thus, if turnover is the recognized stimulus for change, the manager must understand what has caused it in a particular situation in order to make the right changes. To carry out this diagnosis, the manager may discuss the situation with employees and other managers.

4. Select change intervention: After the manager has developed an understanding of the problem and its causes then he must select a change intervention that will accomplish the intended goal. An intervention is a specific change induced in an organization with the

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intention of solving a particular problem or accomplishing a specific objective. For example, if turnover is caused by low pay, then a new reward system is required and if the cause is poor supervision then interpersonal skills and training for supervisors is required.

5. Plan implementation of change: The manager must then carefully plan the implementation of change. Planning the implementation of change involves consideration of the cost of the change, how the change will affect other areas of the organization and the degree to which employees should participate in bringing about the change. Hastily implemented change can result in more harm than benefit.

6. Implement change: A systematically implemented change is more likely to proceed smoothly and to encounter fewer obstacles than is a change that is implemented too quickly and without adequate preparation.

7. Evaluate implementation: Finally, after the change has been implemented, the manager should verify that it has accomplished its intended goals. A change may fail to bring about the intended results. This may be due to inappropriate goals or inaccurate diagnosis of the situation or wrong selection of intervention.

13.5 MEANING OF STRESS

Work is almost inevitable in many jobs. The nature of stress has been studied by scholars in a wide range of academic disciplines. Physicians, psychiatrists, and researchers in management have all studied its causes and its symptoms, and have defined the term in a variety of different ways. Stress can be either positive or negative. Some new work situations can bring us positive challenges and excitement. For example, promotions to new jobs present employees with positive stress. Employees may feel anxious about their new work assignments; they also anticipate them eagerly and look forward to the additional challenges, rewards, and excitement. In these cases, the new and uncertain job situations create positive stress. The positive stress is also called the Eustress.

However, there are certain other types of work that are very threatening and anxiety arousing. For example, depression in the economy can create negative stress for sales personnel, because they will be much more anxious about making sales commissions and sales quotas. For every individual there is an optimum level of stress under which he or she may perform to full capacity. If the stress experienced is below this optimum level, then the individual gets bored, the motivational level to work reaches a low, point, and apathy sets in.

If one operates in a very low stress environment and constantly experiences boredom, the person is likely to psychologically or physically withdraw from work. Psychological withdrawal will result in careless mistakes being frequently made, forgetting to do things, and thinking of things other than work during work hours. Physical withdrawal will manifest itself in increased rates of tardiness and absenteeism, which may ultimately lead to turnover. Though the optimum stress level is different Form different individuals, each individual can sense and determine how much stress is functional for an individual to operate in a productive manner.

Stress is defined as "the reactions of individuals to new or threatening factors in their work environments".

13.6 SOURCES OF WORK STRESSORS

A major source of work stress is a person's role in the organization. A role is simply the set of expectations that other people in the organization have for an individual, For example, supervisors, coworkers, customers and suppliers expect an employee to behave in certain predictable ways. The expectations others have of an employee arc sometimes unclear, in conflict, or too high for the employee to meet within the time allotted, and he or she experiences stress. The sources of work stressors are as follows:

• **Role Ambiguity:** When there is a lot of uncertainty surrounding job definitions or job expectations, people experience role ambiguity. With the recent increase in mergers and acquisitions among major organizations, more and more employees are experiencing job stress as a result of role ambiguity. Role ambiguity is anxiety arousing among employees that leads to job stress.

• **Role Conflict:** Often employees discover that different groups of people in an organization have widely varying expectations of them, and that they cannot meet all those expectations. This inconsistency of expectations associated with a role is called role conflict, which results in stress.

• **Role Overload:** Role overload is a situation in which employees feel they are being asked to do more than time or ability permits. Working under time pressure is especially stressful.

• **Role Under load**: Role Under load is the condition in which employees have too little work to do or too little variety -in their work. For example, salespeople in a store with no customer, standing around all day with nothing to do, could be said to experience role under load.

Ironically, role under load leads to low self-esteem, increased frequency of nervous symptoms and increased health problems.

• **Ethical Dilemmas:** Ethical dilemmas such as whether or not one should report the observed unethical behaviors of another person can cause extreme levels of stress in individuals. This will be especially true for those who have strong moral values of right and wrong and a deep sense of personal and corporate social responsibility. Tensions arise because one might have to contend against one's own colleagues who might be close friends, and may fear of reprisal and other undesirable consequences.

13.7 PREVENTION AND MANAGEMENT OF STRESS

Stress management assists in overcoming stress and increasing the levels of motivation and efficiency of the employees. It involves recognition and examination of problems related to stress. Further, it applies valuable tools to either change the cause of stress or occurrence of stress. These valuable tools are used in a unified and theoretically meaningful manner. The main objective of stress management is to motivate the individual to give his best performance, in a favourable environment and with positive attitude.

Excessive stress levels have negative impact on employee health and performance. Therefore strategies have to be developed to cope with stress at the level of both the individuals and organisation. Stress is inevitable in the life of an individual. Human beings are unable to remain stress free, they have to face stress and find ways to handle it. There are two strategies that can help employees to deal with stress. These strategies operate at the individual level and organizational level.

A. Individual Strategies: Individual strategies for stress management are as follows:

1. Time Management: This system is primarily used for setting objectives, planning and allocation of work. It is believed that after the accomplishment of primary goals and plans, the secondary issues are most unlikely to become the reason for stress. Work of managers includes a constant cycle of many short activities. In this scenario, it is quite obvious that the managers are bound to pay their attention towards the latest issues and hence get deviated from the main objectives, which become the root cause of stress. Thus, setting objectives, planning and allocation of work helps to recognize the priority of every task.

2. Relaxation and Meditation: Performing activities related to one's hobby or practicing meditation and yoga exercises may also be helpful

in relieving stress. The basic concept behind practicing these methods is that stress can become a supporter of the individual. So, if a person involves and brings about control in the life of the person.

3. Behaviour Control: This approach is very effective to subdue the situations that lead to stress. It is essential for the person to recognize their own behaviour and determine those situations that cause stress. It is essential for the person to recognise their own behaviour and determine those situations that cause stress. In this way, they will be about to devise strategies to handle stress more efficiently in future.

4. Counselling: Counselling gives a chance to an individual to freely discuss about the problems and devise new ways to deal with stress in the future. The employees, who have been subjected to some frightening experience at the work place, find it very difficult to go back to the same situation.

5. Biofeedback: Physical changes occur in the human body due to stress like increase/ decrease of heart beat and increase in body temperature. There are many ways through which body changes can be monitored and the individual can be imparted training to control the specific reactions.

6. Exercise: Regular exercise keeps the body fit and healthy. It also redues weight and maintains overall fitness. Stress leads to offensive behaviour and annoyance which can be redued through exercise. The physical exhaustion as a result of exercise also helps in a sound sleep and makes a person relaxed.

7. Networking: Stressed people suffer from the fear of loneliness. They believe that they are the only people who come under stress and they turn their focus to the inner self. The network group helps an individual to drive his focus outwards. Communicating with professional fellow workers, friends and other support providers results in projection of problems and devising innovative ways to deal with them. High expectations from oneself also makes a person stressful.

B. Organisational Strategies: Strategies used by organizations to manage stress are as follows:

1. Job Design: The stress of a person can be reduced if attention is paid towards job design. Good job design leaves a positive impact on employee's mental and physical abilities. Hence, jobs should be designed in such a way that they are challenging and provide opportunities to employees in order to grasp new skills. roles and

responsibilities should be clearly defined so that occurrences of role conflict and role ambiguity can be minimized.

2. Involvement and Communication: Employees who are the part of the result making process at the work place, and who are well- versed with the organisation's working can understand the importance of their role and hence remain aware and awaken to all the happenings around them. As a result of lower levels of ambiguity, some of the stress leading possibilities are discarded, while some of them still exist are reduced to manageable proportions.

3. Awareness Programmes: Awareness programmes like sensitivity training is a technique that guides people and make them sensitive about the presence of stress, reasons of stress and methods used to manage it. Awareness programmes awaken the people about stress openly, in order to find solutions to cope with it. The people, who come to know about stress and how to handle it, become able to make correct decisions associated with it and to their own life.

4. Health Programmes: This approach primarily focus on devising health and development strategies for improvement of health. The main objective of this approach is to provide innovation and specialized medical facility to the people in order to cope up stress.

5. Organisational Design: The physical and social layout within the organisation also causes stress. There are customers who observe an organisation in a horizontal way while most of the organisation works in a vertical manner. This type of conflicting pressure produces stress on the employees who are associated with it. There is a need for proper attention towards the physical structuring in order to subdue the feeling of stress among the employees.

6. Personal Development: Vocational training and employment programmes help in personal development. If a person becones more efficient, he will be less stressed in performing routine jobs. Hence, employees should be motivated towards acquiring new skills like learning another language or learning to play some musical instruments etc. these activities provide soothing and relaxing effect and brings about a balance in life and hence results in suppression of stress.

7. Culture Design: When sympathetic culture is created in contrast to the one based on power and politics, there are chances that the employees assist and cooperate with each other. Such cooperation results in reduced stress. This will offer a supporting environment to the individuals who were more susceptible to stress.

13.8 MEANING OF BALANCING WORK AND LIFE

Work – life balance is a term which is used to represent the different combinations of practices at the workplace which provide support and help to the manpower in accomplishing a balance between the family life and office life demands. Work – life balance is the proper amalgamation of the organizational requirements with the personal commitment of the manpower. The organisations which are able to identify the different pressures exerted on the employees from the family and other external sources are always in advantageous position and thus they facilitate different measures to the employees so that they can withstand these pressures. This type of balance is mainly facilitated with the help of flexible working hours/ work timings and similar types of work adjustments. When the right of an individual to lead a healthy life inside and outside the paid work is accepted by the organisation and a relevant policy is developed for serving the needs of an individual, organisation and society. Automatically the work-life balance is accomplished.

Definition: According to the Work Foundation, "Work-life balance is about individuals having a measure of control over when, where and how they work, leading them to be able to enjoy an optimal quality of life".

13.9 ADVANTAGES OF WORK-LIFE BALANCE:

Maintaining a work-life balance in the organisation can be provided following advantages:

1) **Improved Loyalty and Commitment:** Greater commitment and loyalty of the employees cab ne gained when their needs and requirements are understood by the employers.

2) **Improved Productivity:** Improved performance and efficiency can be obtained at individual level resulting from the greater commitment and loyalty which will also boost the overall organisational productivity.

3) **Reduced Absenteeism:** The problem of absenteeism can be reduced with the help of effective work-life balance. Also the associated costs can be controlled.

4) **Reduced Employee Turnover:** Effective work-life balance initiatives in an organisation prevent employee turnover and thus different costs associated with employee selection, induction and training are reduced.

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5) **Increased Employee Participation:** Work-life balance also motivates the employees to participate in different productive activities of the organisation. They offer their ideas and suggestions to the employers for the betterment of the organisation.

6) **Improved Attraction and Retention of Employees:** The employer can become popular in the labour market and thus it will be attracting and retaining more talented candidates.

13.10 GUIDELINES FOR IMPROVING WORK-LIFE BALANCE:

Guidelines for improving work-life balance are described below:

1. Identify Employee's Needs: It is important to know the various kinds of conflicts related to the work\home which are being faced by the employees. For this, employers should identify the employees with young children or older parents and evaluate their home situations along with evaluating the work related consequences (like amount of overtime worked and number of days of absent) due to their family commitments. They should also conduct exit interviews in order to be sure if the poor work-life balance is the reason for employee turnover. The organisations can also think of creating focus groups or they can also conduct some surveys. The various resistances to change can be tackled by having the active involvement of the employees.

2. Focus on Organisational Culture: In order to promote work-life balance in the organisation, the employer's focus should be on the organisational culture. The organisational culture should be flexible enough to implement the work-life balance. Each and every employee should be eligible for the flexibilities in the organisation and they should not be treated as disloyal or poor performers. They should be made feel that not only their presence but their performance and work results are crucial for the organisation. If there is any kind of hindrance due to organisational culture in the path of work-life balance, then these must be revisited. A flat organisational structure is essential for implementing such work-life balance initiatives.

3. Improve Personal and Organisational Efficiency: Ensuring the smooth functioning of the 'work' part is very critical to accomplish the work-life balance. In order to control the stress and reducing the work hours with the similar level of productivities, the skills such as effective handling of information, time management, prioritising and delegations

become quite vital. This could have some effect on home life too, e.g., no need to take works home and less stress and tiredness in the evening.

4. Set-Up Work-Life Policies: There is no single work-life balance approach that develops the balance in the organisation-employers should design different work-life policies to remove the different work-life conflicts of the employees. Different options like career breaks, flexible work-locations, buddy system, special leave availability and flexible work-hours can be considered by the employer for setting work-life policies. The opinions of employee should also be sought. If any kind of business case is presented by any employee for implementing some changes, then management must give it a serious thought and it should be tested. These kinds of policies are more effective in dealing with the individuals' situations in comparison to rigid policies. It must be kept in mind that rules and effective practices facilitate fair chances and diversity.

5. Inform and Train Managers: Designing work-life policies is not sufficient to bring a work-life balance in the organisations. The consistent and effective implementation of such policies is required for it. A special training is required for managers to make them understand the benefits available to the employees and to make them able to counsel employees for choosing the suitable plan. Performance appraisals and annual training plans should include the work-life issues. Once must notice that this cannot be achieved by force. It should also be conveyed that the chances of promotions, recognition and other job related benefits are not going to be hampered if an employee opts for these plans.

13.11 CHECK YOUR PROGRESS QUESTIONS

1. What do you understand by resistance to change?
2. State the reasons for resistance to change.
3. Indicate the steps to be followed in introducing change in an organisation.
4. Spell out the meaning of stress.
5. State the sources of work stressors
6. What do you understand by Balancing Work and life?

13.12 SUMMARY

- Change simply refers to alteration in the existing conditions of an organisation. Even in most stable organisations change is necessary to maintain stability.
- If change is imposed by way of formal authority, it may not be successful in majority of cases. Ordinarily the following

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techniques are commonly used by managers in order to overcome resistance to change.

- Work is almost inevitable in many jobs. The nature of stress has been studied by scholars in a wide range of academic disciplines. Physicians, psychiatrists, and researchers in management have defined the term in a variety of different ways.

- Stress is defined as "the reactions of individuals to new or threatening factors in their work environments".

- A major source of work stress is a person's role in the organization. The sources of work stressors are Role Ambiguity, Role Conflict, Role Overload, Role Under load and Ethical Dilemmas.

- The main objective of stress management is to motivate the individual to give his best performance, in a favourable environment and with positive attitude. Excessive stress levels have negative impact on employee health and performance.

- Human beings are unable to remain stress free, they have to face stress and find ways to handle it. There are two strategies that can help employees to deal with stress. These strategies operate at the individual level and organisational level.

- Work – life balance is a term which is used to represent the different combinations of practices at the workplace which provide support and help to the manpower in accomplishing a balance between the family life and office life demands.

13.13 SUMMARY

Resistance to change: Organizational individuals usually resist change when they do not understand the real purpose of the proposed changes. When employees don't understand the process, they usually assume something bad.

Stress: Stress is defined in terms of how it impacts physical and psychological health; it includes mental, physical, and emotional strain.

Work stressors: Stress at work can be a real problem to the organisation as well as for its workers.

Work – Life Balance: A work-life balance empowers employees to split time and energy between work and other important areas of their life successfully.

Retention of Employees: Employee retention is the organizational goal of keeping talented by providing competitive pay and benefits and healthy work-life balance.

Loyalty: Employee loyalty can be defined as employees who are devoted to the success of their organization and believe that being an employee of this organization is in their best interest.

Productivity: Productivity is termed as a measure of the capability or performance of a person, machine, organization etc., in converting inputs into valuable outputs.

13.14 ANSWERS TO CHECK YOUR PROGRESS

1. Resistance to change is human behaviour which emerges to protect human beings from the actual or perceived effect of change. It may occur at the individual level, group level and the organizational level.

2. Economic Reasons, Obsolescence of Skills, Preference for Status Quo, Fear of the Unknown, Social Reasons, Social Displacements, Peer Pressure, Security, Undermining of Status and Authority, Retraining and Non-Involvement in the Decision Making: are the main reasons identified by Keith Davis for resistance to change.

3. Certain minimum number of steps need be followed in introducing a change in an organisation and they are Recognise need for change, establish goals for change, diagnose relevant variables, Select change intervention, Plan implementation of change, Implement change and Evaluate implementation.

4. Stress is defined as "the reactions of individuals to new or threatening factors in their work environments".

5. The sources of work stressors are Role Ambiguity, Role Conflict, Role Overload, Role Under load and Ethical Dilemmas.

6. Work – life balance is a term which is used to represent the different combinations of practices at the workplace which provide support and help to the manpower in accomplishing a balance between the family life and office life demands.

13.15 QUESTIONS AND EXERCISES

Short Questions:

1. What is resistance to change?
2. State the reasons for resistance to change.
3. Define stress.
4. What are the sources of work stressors?
5. What do you understand by Balancing Work and Life?

Long Questions:

1. Summarize the steps to be adopted in managing resistance of change in an organisation.

2. Enumerate the different phases of changes to be followed in introducing change in an organisation.

3. Discuss the measures to prevent and manage stress in an organisation.

4. Explain the advantages of Work – Life Balance.

5. Summarize the guidelines to be followed in improving Work – life Balance.

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UNIT XIV ORGANISATION DEVELOPMENT

Structure:

14.0 Introduction

14.1 Objectives

14.2 Definitions and Nature of Organisation Development

14.3 Objectives of Organisation Development

14.4 Characteristics of Organisation Development

14.5 Organisation Development Process

14.6 Benefits of Organisation Development

14.7 Organisation Development Interventions

14.8 Challenges to Organisation Development

14.9 Check Your Progress Questions

14.10 Summary

14.11 Key words

14.12 Answers to Check Your Progress

14.13 Questions and Exercises

14.14 Suggested Readings.

14.0 INTRODUCTION:

Organisational Development is a buzz word in successful and growth oriental organizations. Information technology revolution and other technology adoption has made tremendous dent into structure, functioning, systems, process and speed with which change takes place in the organizations. Cycle time of production and delivery of products to customer has improved and cycle time education is a continuous phenomenon. As the boundaries of markets have increased with free market concepts, the competitiveness has also increased. Technological change and social revolution that the individual is facing these days, he is experiencing a distinct pressure. It has a sequential impact on life style. It is therefore, essential for organizations to improve organizational culture, redefine and redesign jobs, accord full freedom of work and empower the employees so that the organizational productivity is improved and the employees carry at home the pleasant memories of workplace so that their social life is pleasant and enjoyable. Organizations are at work constantly to improve the job satisfaction of employees through organizational development. Organizations have to keep pace with the external environment to enable internal processes and systems updated. Organization development relates to development of individual, group and

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introduction of such systems in the organization so that the productivity is increased. Organisational development is about people and the organisations and how they function.

14.1 OBJECTIVES

After studying this unit, you should be able to:
- ❖ Define organisation development and highlight its characteristics.
- ❖ State the nature of organisation development
- ❖ Trace out the objectives of organisation development.
- ❖ Spell out the process of organisation development.
- ❖ Explain the major organisation development interventions.

14.2 DEFINITIONS AND NATURE OF ORGANISATION DEVELOPMENT

Organisational Development refers to systematic planned change. It may be defined as collection of techniques that attempt to effect systematic planned change. Organisations are not static systems but keeps on developing, based on the needs of the system and the opportunities that exist in the environment.

Keith Davis defines Organisation Development "as an integrated strategy that uses group process to focus on the whole culture of organization in order to bring about planned change. It seeks to change beliefs, attitudes, values, structures, and practices so that the organization can better adapt to technology and live the fast pace of change".

According to **Fred Luthans**, Organisation Development represents "an applied, macro-level approach to planned change and development of complex organizations".

According to **Koontz,** "Organisation Development is Systematic, integrated and planned approach to improve effectiveness of the enterprise. It is designed to solve problems that adversely affect the operational efficiency at all levels".

In the opinion of **French and Bell,** "Organisation Development is a systematic approach to organszational improvement, that applies behavioral science theory and research in order to increase individual and organizational well-being and effectiveness".

"Organisation Development is an effort planned, organisation wide, managed from the top, to increase organisation effectiveness and health through planned interventions in the organisation's 'processes,' using behavioural- science knowledge." **Richard Beckard**

"Organisational Development aims at enhancing congruence between organisational structure, processes, strategy, people and culture; developing new and creative organisational solutions; and developing the organisation's self – renewing capacity."
Michel Beer

NATURE OF ORGANIZATION DEVELOPMENT:

Organization Development is a general strategy or approach to organizational change made is employed to analyze and diagnose the sources of organizational problems and to develop and implement action plans for their solution.

- ➢ It is an educational strategy for bringing planned change.
- ➢ It relates to real problems of an organization.
- ➢ Laboratory training methods based on experienced behavior are primarily used to bring change.
- ➢ Change agent applying Organisation Development technique for change is external to the forms of consultants.
- ➢ There is a close working relationship between change agents and the people who are being changed. The relationships involve mutual trust, joint goals, means, and mutual influence.
- ➢ The change agents share social philosophy about human value. They are humanists seeking to get a humanistic philosophy in organization.

14.3 OBJECTIVES OF ORGANIZATION DEVELOPMENT

- ➢ To increase interpersonal trust among employees
- ➢ To increase employees level of satisfaction and commitment
- ➢ To increase openness of communication
- ➢ To confront problems instead of sweeping the under the rug
- ➢ To effectively manage the conflict
- ➢ To increase co-operation and collaboration among the employees
- ➢ To improve organization's problem solving and self renewal capabilities.

14.4 CHARACTERISTICS OF ORGANIZATION DEVELOPMENT

Organisation Development differs substantially from those of a typical training program which are summarised in the following:

1. Focus on the whole organization: Attempts are made to develop the whole organization so that it can be responding to changes effectively. In contrast, traditional training programs tend to focus quite narrowly on specific jobs or small work groups.

2. Systems organization: Organization Development is concerned with structure, process as well as attitudes. It lays emphasis on how parts relate, not on the parts themselves.

3. Problem solving: Organization Development seeks to solve problems rather than to discuss theoretically. This focus on real ongoing problems, not artificial ones, is called action research. This characteristic of OD is so important that OD is sometimes defined as "organizational improvement through action research."

4. Experiential learning: Organization Development offers experiential learning which means
participants learn by experiencing in the training environment the kind of human problems they actually face on the job.

5. Contingency orientation: Organization Development is said to be situational or contingency oriented. Unlike traditional training approaches which emphasize one best way to solve the problems, Organization Development is flexible and pragmatic, adapting actions to fit particular needs.

6. Team building: Organization Development's general role is to build better team work throughout the organization. It attempts to integrate four elements- people, structure, technology and environment.

7. Feed back: Organization Development relies on data feedback to participants who made decisions using it.

14.5 ORGANIZATION DEVELOPMENT PROCESS:

A typical complete Organization Development program includes the following steps.

1. Initial diagnosis: Organization Development program is decided after the consultant meets the top management. By means of interviews

with various persons the consultant seeks necessary inputs. Data collections and surveys may be made to know the organizational climate and organizational behavioral problems. By meeting the groups away from work, the consultant develops information, from issues pertaining to conditions that contribute most to job effectiveness, conditions that interfere with job effectiveness and the changes in the way the organization operates at present.
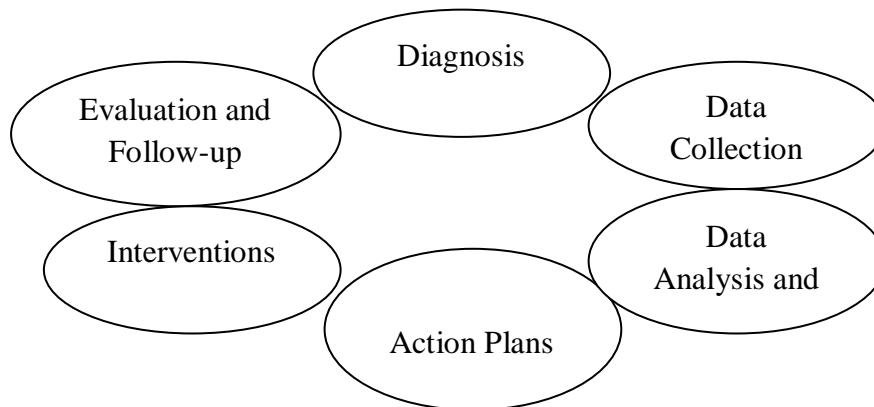
Fig.14.1 . Organisation Development Process

2. Data Collection: The data necessary for determining organizational climate and identifying the behavioural problems can be collected by means of the survey method. Questions like what conditions contribute most to the job effectiveness of individuals and groups and what sort of changes they expect for better performance are posed.

3. Data Analysis and Review: After the relevant data have been collected, the next step is to analyse and review the same. This task will be entrusted to various work groups formed for this purpose. During review the work groups mediate the areas of disagreement and establish priorities for change.

4. Preparation of Action Plans: At this stage, the work groups prepare the necessary action plans to solve the specific problems identified. Such plans also fix responsibilities on individuals and groups.

5. Interventions: Interventions are the structured activities designed to help individuals and groups to improve their work effectively. These interventions may take different forms as stated below:

- Workshops
- Group Discussions

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- Brainstorming sessions
- Role – plays
- Written exercises.

6. Evaluation and Follow – Up: This is the last phase of the Organisation Development process. At this stage, the results of the Organisation Development programme are evaluated. Additional programmes may also be developed to improve results in areas where the progress is not satisfactory. The Organisation Development consultants help the organisation in this regard.

14.6 BENEFITS OF ORGANIZATION DEVELOPMENT

The primary advantage of Organization Development as a useful method of organizational intervention is that it tries to deal with change in the whole organization or major unit of it.

- Tries to create an environment in which exciting and challenging work can be found
- Treats each human being as a person with a complex set of needs, all of which are important in his work and life.
- It gives each member of the organization opportunities to develop to his full potential.
- It seeks to make the organization more effective in meeting all its goal
- It gives people in an organization the chance to influence how they relate to work, the organization and the work environment.
- Organization Development improves the organisational effectiveness. Also it increases productivity, boosts morale through improved utilization of human resources.
- Organization Development provides better management from top to bottom.
- Organization Development improves commitment and involvement from the members of the organisation in making the organisation successful.
- Organization Development improves coordination and teamwork among the members of the group and among the groups.
- Helps to understand the strengths and weaknesses of the organisation.

- Improves communication, problem solving and conflict resolution skills.
- Organization Development efforts help to develop a work environment that encourages creativity and openness.
- It provides opportunities for personal growth and development.
- Reduces the negative attitude of the people towards the organisation.
- It makes the organisation competitive by adapting itself continuously to the changing needs of the environment.

Hence, it ensures widely dispersed improvement. Other benefits include high motivation, productivity, quality of work, job satisfaction and conflict resolution. Organization Development also reduces negative factors such as absenteeism and labour turnover.

14.7 INTERVENTIONS OF ORGANIZATION DEVELOPMENT

Organization Development interventions refer to various activities which consultant and client organization perform for improving organizational functioning by enabling organization members to better manage their team and organization cultures. French and Well have defined Organization Development interventions as "sets of structured activities in which selected organizational units (target groups or individuals) engage with a task or a sequence of tasks where the task goals are related directly or indirectly to organizational improvement. Interventions constitute the action thrust of organization development; they make things happen and are what is happening."

As the members interact with each other, the facilitator moderates the discussions and provides an opportunity for each participant to express his/her opinions, beliefs and ideas. He also takes a note of the expressions and reactions of the participants during the interactions and at the end of the sessions, provides them feedback on their behaviour. The feedback helps members of the group to know more about themselves as well as of others and learn about group dynamics (such as how a group comes into existence, forms its norms and grows). This kind of training helps them to improve their listening skills, learn to talk openly and accept individual differences. The Intervention techniques of Organization Development are as follows:

1. Sensitivity Training: Sensitivity training is a small-group interaction under stress in an unstructured encounter group, which

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requires people to become sensitive to one another's feelings in order to develop reasonable group activity. In sensitivity training, the actual technique employed is T-group. T-group has several characteristics and they are:

• The T-group is generally small, from ten to twenty members.

• The group begins its activity with no formal agenda.

• The primary role of trainer is to call attention of members from time to time of the ongoing process within the group.

• The procedure lends to develop introspection and self-examination, with emotional levels of involvement and behavior.

The objectives of such training are increased openness with others, more concern for others, increased tolerance for individual differences, less ethnic prejudice, understanding of a group process, enhanced listening skills and increased trust and support.

2. Process Consultation: Process Consultation represents a method of intervening in an ongoing system. The basic content is that the consultant works with individuals and groups to help them learn about human and social processes and learn to solve problems that stem from process events. Process Consultation consists of many interventions and activities which affect the various organizational processes such as. communication, roles and functions of group members, group problem-solving and decision-making, group norms, authority and leadership and inter-group cooperation and conflicts.

3. Team Development: The underlying aim of team development is to increase trust among team members because people work better together when there is open and honest sharing about the problems and difficulties that they have with one another. As such, at the initial level, the attempt should be to develop such an environment where such trust can be developed among the team members

Team building is an application of various techniques of Sensitivity training to the actual work groups in various departments. These work groups consist of peers and a supervisor. Sensitivity training is called a laboratory as it is conducted by creating an experimental laboratory situation in which employees are brought together. The Team building technique and training is designed to improve the ability of the employees to work together as teams.

4. Grid Organisation Development: Grid organisation development, developed by Blake and Mounton, is a comprehensive and systematic Organisation Development Program. The Program aims at individuals, groups and the organization as a whole. It utilizes a considerable

number of instruments, enabling individuals and groups to assess their own strength and weaknesses. It also focuses on skills, knowledge and processes necessary for effectiveness at the individual, group and inter-group and total organization levels.

5. Work Redesign: Work Redesign takes into account the nature of job. Job redesign make use of job analysis to redefine the job in terms of tasks behavior, education, skills, relationship and responsibilities etc,

6. Job Enrichment: It refers to the basic changes in the content and responsibilities of a job so as to satisfaction of motivational needs (recognition, achievement, responsibility, personal growth etc) of personnel. Jobs are made more challenging, meaningful and interesting. Job enrichment is currently practiced all over the world. It is based on the assumption in order to motivate workers, job itself must provide opportunities for achievement, recognition, responsibility, advancement and growth. The basic idea is to restore to jobs the elements of interest that were taken away. In a job enrichment program the worker decides how the job is performed, planned and controlled and makes more decisions concerning the entire process.

7.Quality of work Life (QWL): It describes a process by which an organisation responds to employees needs by developing mechanism to allow them to share fully in making the decision that design life at work.

8. Management by Objectives (MBO): It emphasizes participation of individual in setting the goals. It is a systematic and organized approach that allows management to attain maximum results from available resources by focusing on achievable goals. It is joint goal setting.

MBO is a successful philosophy of management. It replaces the traditional philosophy of "Management by Domination". MBO led to a systematic Goal setting and Planning. Peter Drucker the eminent management Guru in 1959 has first propagated the philosophy since then it has become a movement. MBO is a process by which managers at different levels and their subordinates work together in identifying goals and establishing objectives consistent with Organizational goals and attaining them.

9. Process Mapping. This involves sitting with each employee and having him or her describe what it is they do. This information is recorded using a sticky-note method. Each step in the process is recorded on a sticky-note and built in front of the individual completing the work. This allows them to interactively ensure the final map matches their understanding of their work. The final process maps are

developed using flowcharting software. Time flows down the page, and each individual involved is represented by a separate column. In this manner, a simple map can result from a complicated process.

14.8 Challenges to Organization Development (OD)

It is time consuming and expensive. Since benefits of Organization Development require long pay-off periods, organizations may not prefer waiting that long. There are problems of invasion of privacy and psychological harm in some of the Organization Development techniques.

- It requires use of certain persons who can take initiative to bring about change.
- Organisation Development cannot be applied with giving the consideration to the circumstances existing within the organization. The local circumstances may pose a problem in adopting to change.
- Organisation Development is heavily based on the behavioral science concepts. Behavioral sciences have many limitations which are applicable to OD also.
- It ignores circumstances and their influence in organization.
- The Organisation Development effort should start at the top level of the management and should reach the lower levels through the organisation structure.
- The change agents help the organisation to help itself so the organisation develops the ability to identify the problem, solve the problem and implement the selection plan.
- The need change depends upon the nature and type of the problem within the organisation. To indentify and defining the problem as early as possible. This is help to use the right intervention techniques.
- The change may be focused at individual level or group level or organisational level.

Evaluating the effectiveness of Organisation Development programme is equally importance as diagnosing the problem and using the appropriate Organisation Development intervention technique.

14.9 CHECK YOUR PROGRESS QUESTIONS

1. Define organisation development
2. What are the objectives of organisation development?
3. What do you mean by organisation development interventions?
4. What is Sensitivity training?

5. Spell out the meaning of Grid organisation development.

14.10 SUMMARY

- Organisational Development is a buzz word in successful and growth oriental organizations.

- Organisations are at work constantly to improve the job satisfaction of employees through organizational development.

- Organisational Development may be defined as collection of techniques that attempt to effect systematic planned change.

- Organisation Development is a general strategy or approach to organisational change made is employed to analyze and diagnose the sources of organizational problems and to develop and implement action plans for their solution.

- A typical complete Organization Development program process includes the steps like Initial Diagnosis, data collection, data analysis and review, action plans, Interventions, Evaluation and follow – up.

- The primary advantage of Organization Development as a useful method of organizational intervention is that it tries to deal with change in the whole organization or major unit of it.

- Organization Development interventions refer to various activities which consultant and client organization perform for improving organizational functioning by enabling organization members to better manage their team and organization cultures.

14.11 KEY WORDS:

Diagnosis: Organizational Diagnosis is an effective ways of looking at an organization to determine gaps between current and desired performance and how it can achieve its goals.

Action Plans: An action plan describes the way your organization will meet its objectives through detailed action steps that describe how and when these steps will be taken.

Data Analysis: Data analysis is important in business to understand problems facing an organisation, and to explore data in meaningful ways.

Organisational Effectiveness: Organisational effectiveness can be defined as the efficiency with which an association is able to meet its objectives.

Sensitivity Training: Sensitivity training is a type of group training that focuses on helping organizational members to develop a better awareness of group dynamics and their roles in the group.

Job Enrichment: Job enrichment is the process of improving employee satisfaction with employees' positions by modifying their work, as well as reducing repetitive work and providing opportunities for advancement and growth.

Quality of work Life: Quality of work life (QWL) refers to the favourableness or unfavourableness of a job environment for the people working in an organisation.

Management by Objectives: Management by Objectives (MBO) is a personnel management technique where managers and employees work together to set, record and monitor goals for a specific period of time.

14.12 ANSWERS TO CHECK YOUR PROGRESS:

1. Organisation Development is Systematic, integrated and planned approach to improve effectiveness of the enterprise. It is designed to solve problems that adversely affect the operational efficiency at all levels.

2. Objectives of Organization Development:
   ➢ To increase interpersonal trust among employees
   ➢ To increase employees level of satisfaction and commitment
   ➢ To effectively manage the conflict
   ➢ To increase co-operation and collaboration among the employees.

3. Organization Development interventions refer to various activities which consultant and client organization perform for improving organizational functioning by enabling organization members to better manage their team and organization cultures.

4. Sensitivity training is a small-group interaction under stress in an unstructured encounter group, which requires people to become sensitive to one another's feelings in order to develop reasonable group activity.

5. Grid organisation development is developed by Blake and Mounton. It is a comprehensive and systematic Organisation Development Program. The Program aims at individuals, groups and the organization as a whole. It also focuses on skills, knowledge and processes necessary for effectiveness at the individual, group and inter-group and total organization levels.

14.13 QUESTIONS AND EXERCISES:

Short Questions:
1. What are the objectives of organisation development?
2. State the nature of organisation development.
3. Spell out the benefits of organisation development.
4. List out the challenges of organisation development.

Long Questions:
1. Explain the Characteristics of organisation development.
2. Narrate the various steps involved in the process of organisation development.
3. Discuss the various techniques of interventions in the organisation development.

14.14 SUGGESTED READINGS

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- Dr.Varma Agarwal, Organisational Behaviour, Forward Book Depot, Chennai, 1994.

MODEL QUESTION PAPER
ORGANISATIONAL BEHAVIOUR

Time : 3 Hours   Max marks:75

Part A (10x2=20 Marks)
Answer all the questions.
1) Define Organisation Behaviour.
2) What is Attitude?
3) Spell out the meaning of Motivation.
4) What do you understand by Group?
5) State the meaning of Group Cohesiveness.
6) Define Stress.
7) List out the types of conflict.
8) What is Organisational Climate?
9) Interpret the meaning of 'Balancing Work and Life?
10) State the Objectives of Organisation Development.

Part B (5x5=25 Marks)
Answer all the questions choosing either [A] or [B].
11.A. Spell out the elements of Organisation Behaviour.
[OR]
  B. What are the factors influencing Personality?
12. A. State the process of Motivation.
[OR]
  B. What are the types of Group?
13.A. What are the Characteristics of Group Cohesiveness?
[OR]
  B. What are the Sources of Power?
14.A. State the circumstances leading to acquisition of power.
[**OR**]
B. Point out the strategies for resolving destructive conflict.

15. A. Indicate the causes for Organisation Change.
[OR]
  B. State the nature of Organisation Development.
Part C (3x10=30 Marks)
Answer any three questions.
16. Enumerate the various disciplines contributing to Organisation
    Behaviour.

17. Discuss Maslow's need Hierarchy theory and state its assumptions.

18. Narrate the different stages of team formation in an Organisation.

19. Explain the Significance of Organisational Culture.

20. Summmarize the various techniques of Organisation Development
    Interventions.