ORGANIZATIONAL BEHAVIOR

CORE COURSE

BBA
III Semester

(2011 Admission)

UNIVERSITY OF CALICUT

SCHOOL OF DISTANCE EDUCATION

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Study Material

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Layout:	*Computer Section, SDE*

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Module 1

INTRODUCTION TO ORGANIZATIONAL BEHAVIOUR

Behaviour is a way of action. It is basically goal oriented. Human behaviour is generally motivated by a desire to attain a goal. The specific goal is not always consciously known by the individual. Many times we wonder "why did I do that"? The reason for our action is not always apparent to the conscious mind. The knowledge and information explosion, global competition, total quality and diversity are some of the bitter realities that the managers are facing today. Yet the simple but most profound key to successful organizations and management is human resources and its behaviour.

The basic unit of behaviour is an activity. In fact, all behaviour is a series of There are many solutions being offered to deal with these complex challenges. Activities. As a human being, we always do something; walking, talking, sleeping etc. and sometimes we do more than one activity at a time. Sometimes we decide to change from one activity to another. Why do we do so? Or why do people engage in one activity and not another? A manager must understand, predict and control the activities of a person at a given moment. To predict behaviour, manager must know which motives or needs of people evoke a certain action at a particular time.

ORGANISATION

When there are activities of two or more persons, the organisation starts evolving. Organization may be simple or complex, micro or macro aspects. The basic elements of organisation have remained the same over the years. They have a purpose. They attract people. They acquire resources which they use. They aspire to achieve the set of objectives. They use some structure to decide the works and to co-ordinate the activities. According to **L.Urwick**,*"Organisation is to determine the activities to accomplish a job and arrange the distribution of activities among the people"*

According to **Gary Johns**, *"Organizations are social inventions for accomplishing goals through group efforts"*. This definition covers wide variety-of groups such as businesses, schools, hospitals, fraternal groups, religious bodies, government agencies and so on. There are three significant aspects in the above definition, which require further analysis. They are as follows:

- *Social Inventions:* The word "social" as a derivative of society basically means gathering of people. It is the people that primarily make up an organisation.

- *Accomplishing Goals:* All organisations have reasons for their existence. These reasons are the goals towards which all organisational efforts are directed. While the primary goal .of any commercial organisation is to make money for its owners, this goal is inter-related with many other goals. Accordingly, any organisational goal must integrate in itself the personal goals of all individuals associated with the organisation.

- *Group Effort:* People, both as members of the society at large and as a part of an organization interact with each other and are inter-dependent. Individuals in themselves have physical and intellectual limitations and these limitations can only be overcome by group efforts.

Meaning and Concept of Organisational Behavior

Organisational behaviour is the study and application of knowledge about how people act within the organizations. It is a human tool for human benefit. It applies broadly to the behaviour of people in all types of organizations, such as business, government, school and service organizations. Wherever organizations are, there is a need to understand organisational behaviour.

The organizational behaviour has a goal lo help the managers make a transition to the new paradigm. Some of the new paradigm characteristics include coverage of second-generation information technology and total quality management such as empowerment, reengineering and benchmarking, and learning organization for managing diversity of work. The new paradigm sets the stage for the study, understanding, and application of the time-tested micro-variables, dynamics and macro-variables. One must know why management needs a new perspective to meet the environmental challenges and to shift to a new paradigm.

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 behaviour can then be defined as: "The study of human behaviour in organisational settings, the interface between human behaviour and the organisational context, and the organisation itself."

The above definition has three parts—the individual behaviour, the organisation and the (interface between the two. Each individual brings to an organisation a unique set of beliefs, values, attitudes and other personal characteristics and these characteristics of all individuals must interact with each other in order to create organisational settings. The organisational behaviour is specifically concerned with work-related behaviour, which takes place in organisations. In addition to understanding; the on-going behavioral processes involved, in 'their own jobs, managers must understand the basic human element of their work. Organisational behaviour offers three major ways of understanding this context; people as organisations, people as resources and people as people.

Above all, organisations are people; and without people there would be no organisations. Thus, if managers are to understand the organisations in which they work, they must first understand the people who make up the organisations.

As resources, people are one of the organization's most valuable assets. People create the organisation, guide and direct its course, and vitalize and revitalize it. People make the decisions, solve the problems, and answer the questions. As managers increasingly recognize the value of potential contributions by their employees, it will become more and more important for managers and employees to grasp the complexities of organisational behaviour.

Finally, there are people as people - an argument derived from the simple notion of humanistic management. People spend a large part of their lives in, organisational settings, mostly as employees. They have a right to expect something in return beyond wages and benefits. They have a right to expect satisfaction and to learn new skills. An understanding of organisational behaviour can help the manager better appreciate the variety of individual needs and' expectations.

Organisational behaviour is concerned with the characteristics and behaviours of employees in isolation; the characteristics and processes that are part of the organisation itself; 'and the characteristics and behaviours directly resulting from people with their individual needs and motivations working within the structure of the organisation. One cannot understand an individual's behaviour completely without learning something about that individual's organisation. Similarly, he cannot understand how the organisation operates without; studying the people who-make it up. Thus, the organisation influences and is influenced by individuals. Organizational behaviour integrates the relevant contents of these disciplines to make them applicable for organizational analysis. e.g. it addresses issues, which may be relevant to the case, such as the following:

➢ What facilitates accurate perception and attribution?
➢ What influences individual, group and organizational learning and the development of individual attitudes toward .work?
➢ How do individual differences in personality, personal development, and career development affect individual's behaviours and attitudes?
➢ What motivates people to work, and how. Does the organizational reward system influence worker's behaviour and attitudes?
➢ How do managers build effective teams?
➢ What contributes to effective decision-making?
➢ What are the constituents of effective communication?
➢ What are the characteristics of effective communication?
➢ How can power be secured and used productively?
➢ What factors contribute to effective negotiations?
➢ How can conflict (between groups or between a manager and subordinates) be resolved or managed?
➢ How can jobs and organizations be effectively designed?
➢ How can managers help workers deal effectively with change?

Historical background for organizational behaviour

Scientific Management Approach

Scientific management approach was developed by F.W. Taylor at the beginning of the 20th century. This theory supported the use of certain steps in scientifically studying each element of a

job, selecting and training the best workers for the job arid making sure that the workers follow the prescribed method of doing the job. It provided a scientific rationale for job specialization and mass production. His assumption was that employees are motivated largely by money. To increase the output, Taylor advised managers to pay monetary incentives to efficient workers.

Yet, his theory was criticized by many employers and workers. Workers objected to the pressure of work as being harder and faster. Critics worried that the methods took the humanity out of labor, reducing workers to machines responding to management incentives. Therefore, Taylor's view is now considered inadequate and narrow due to the points given by the critics.

Bureaucratic Approach

While scientific management was focusing on the interaction between workers and the task, me researchers were studying how to structure the organization more effectively. Instead of trying to make each worker more efficient, classical organization theory sought the most effective overall organizational structure for workers and managers.

The theory's most prominent advocate, Max Weber, proposed a 'bureaucratic form' of structure, which he thought would work for all organizations. Weber's idea! Bureaucracy was, logical, rational and efficient. He made the naive assumption that one structure would work best for all organizations.

Henry Ford, Henry Fayol and Frederick W. Taylor, the early management pioneers, recognized the behavioral side of management. However, they did not emphasize the human dimensions. Although there were varied and complex reasons for the emerging importance of behavioral approach to management, it is generally recognized that the Hawthorne studies mark the historical roots for the field of organizational behaviour.

Hawthorne Studies

Even, as Taylor and Weber brought attention with their rational, logical approaches to more efficient productivity, their views were criticized on the ground that both approaches ignored worker's humanity.

The real beginning of applied research in the area of organizational behaviour started with Hawthorne Experiments. In 1924, a group of professors began an enquiry into the human aspects of work and working conditions at the Hawthorne plant of Western Electric Company, Chicago. The findings of these studies were given a new name 'human relations' the studies brought out a number of findings relevant to understanding human behaviour at work. The Human element in the workplace was considerably more important. The workers are influenced by social factors and the behaviour of the individual worker is determined by the group.

Hawthorne studies have been criticized for their research methods and conclusions drawn. But their impact on the emerging field of organizational behaviour was dramatic. They helped usher in a more humanity centered approach to work.

Nature of OB

Organization Behaviour has emerged as a separate field of study. The nature it has acquired by now is identified as follows:

1. **A separate field of study and not a discipline only**: OB has a multidisciplinary orientation and is thus, not based on a specific theoretical background.

2. **An inter disciplinary approach:** OB is essentially an interdisciplinary approach to study human behaviour at work. It tries to integrate the relevant knowledge drawn from related

disciplines like psychology, sociology, anthropology etc. ,to make them applicable for studying and analyzing OB

3. **An Applied Science:** OB basically does the application of various researches to solve the organizational problems related to human behaviour.

4. **A Normative Science:** while the positive science discusses only cause and effect relationship, OB prescribes how the findings of applied researches can be applied to socially accept organizational goals.

5. **A Humanistic and Optimistic Approach:** it applies humanistic approach towards people working in the organization. It treats people as thinking, feeling human being.

6. **Total system approach;** The system approach is one that integrates all the variables affecting organizational functioning. Man's socio –psychological framework is complex one and the system approach of OB tries to study this complexity and to find solution to it.

OB –as an interdisciplinary approach

Organizational behaviour is an applied behavioral science that is built on contributions from a number of behavioral disciplines such as psychology, sociology, social psychology, anthropology and economics.

Let's see how these disciplines are related to organizational behaviour,

A. **Psychology**. Psychology is the study of human behavior which tries to identify the characteristics of individuals and provides an understanding why an individual behaves in a particular way. This thus provides us with useful insight into areas such as human motivation, perceptual processes or personality characteristics.

B. **Sociology**. Sociology is the study of social behavior, relationships among social groups and societies, and the maintenance of social order. The main focus of attention is on the social system. This helps us to appreciate the functioning of individuals within the organization which is essentially a socio-technical entity.

C. **Social psychology**. Social psychology is the study of human behaviour in the context of social situations. This essentially addresses the problem of understanding the typical behavioral patterns to be expected from an individual when he takes part in a group.

D. **Anthropology**. Anthropology is the science of mankind and the study of human behaviour as a whole. The main focus of attention is on the cultural system, beliefs, customs, ideas and values within a group or society and the comparison of behaviour among different cultures. In the context of today's organizational scenario. It is very important to appreciate the differences that exist among people coming from different cultural backgrounds as people are often found to work with others from the other side of the globe.

E. **Economics.** Any organization to survive and sustain must be aware of the economic viability of their effort. This applies even to the non-profit and voluntary organizations as well.

F. **Political Science**. Although frequently overlooked, the contributions of political scientists are significant to the understand arrangement in organizations. It studies individuals and groups within specific conditions concerning the power dynamics. Important topics under here include structuring of conflict, allocation of power and how people manipulate power for individual self-interest etc.

Importance and scope of organizational behaviour

Organisational behaviour offers several ideas to management as to how human factor should be properly emphasized to achieve organisational objectives. Barnard has observed that an organisation is a conscious interaction of two or more people. Organisational behaviour provides opportunity to management to analyse human behaviour and prescribe means for shaping it to a particular direction.

Organisational behaviour helps to analyse 'why' and 'how' an individual behaves in a particular way. Understanding Human Behaviour Organisational behaviour provides understanding the human behaviour in all directions in which the human beings interact. Thus, organisational behaviour can be understood at the individual level, interpersonal level, group level and inter-group level.

- *Interpersonal Level:* Human behaviour can be understood at the level of interpersonal interaction. Organisational behaviour provides • means for understanding the interpersonal relationships in an organisation. Analysis of reciprocal relationships, role analysis and transactional analysis are some of the common methods, which provide such understanding.

- *Group Level:* Though people interpret anything at their individual level, they are often modified by group pressures, which then become a force in shaping human behaviour, Thus, individuals should be studied in groups also.. Research in group dynamics has contributed vitally to organisational behaviour and shows how a group behaves in its norms, cohesion, goals, procedures, communication pattern and leadership. These research results are advancing managerial knowledge of understanding group behaviour, which is very important for organisational morale and productivity.

- *Inter-group Level:* The organisation is made up of many groups that develop complex relationships to build their process and substance. Understanding the effect of group relationships is important for managers in today's organisation. Inter-group relationship may be in the form of co-operation or competition.

Scope and importance of OB can be visible in following points:

- *Controlling and Directing Behaviour:* After understanding the mechanism of human behaviour, managers are required to control and direct the behaviour so that it conforms to the standards required for achieving the organisational objectives. Thus, managers are required to control and direct the behaviour at all levels of individual interaction. Therefore, organisational behaviour helps managers in controlling and directing in different areas such as use of power and sanction, leadership, communication and building organisational climate favourable for better interaction.

- *Use of Power and Sanction:* The behaviours can be controlled and directed by the use of power and sanction, which are formally defined by the organisation. Power is referred to as the capacity of an individual to take certain action and may be utilized in many ways. Organisational behaviour explains how various means of power and sanction can ,be utilized so that both organisational and individual objectives are achieved simultaneously.

- *Leadership:* Organisational behaviour brings new insights and understanding to the practice and theory of leadership. It identifies various leadership styles available to a manager and analyses which style is more appropriate in a given situation. Thus, managers can adopt styles keeping in view the various dimensions of organisations, individuals and situations.

- *Communication:* Communication helps people to come in contact with each other. To achieve organisational objectives, the communication must be effective. The communication process and its work in inter-personal dynamics have been evaluated by organisational behaviour.

- *Organisational Climate:* Organisational climate refers to the total organisational situations affecting human behaviour. Organisational climate takes a system perspective that affect human behaviour. Besides improving the satisfactory working conditions and adequate compensation, organisational climate includes creation of an atmosphere of effective supervision; the opportunity for the realisation of personal goals, congenial relations with others at the work place and a sense of accomplishment.

- *Organisational Adaptation:* Organisations, as dynamic entities are characterised by pervasive changes. Organisations have to adapt themselves to the environmental changes by making suitable, internal arrangements such as convincing employees who normally have the tendency of resisting any changes.

MODELS OF ORGANISATION BEHAVIOUR

Organizations differ in the quality of organizational 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:

    A. Autocratic model
    B. Custodial model
    C. Supportive model
    D. Collegial model

Autocratic Model

In an autocratic model', the manager has the power to command his subordinates to do a specific job. Management believes that it knows what is best for an organization and therefore, employees are required to follow their orders. The psychological result of this model on employees is their increasing dependence on their boss. Its main weakness is its high human cost.

Custodial Model

This model focuses better employee satisfaction and security. Under this model organizations satisfy the security and welfare needs of employees. Hence, it is known as custodian model. This model leads to employee dependence on an organization rather than on boss. As a result of economic rewards and benefits, employees are happy and contented but they are not strongly motivated.

Supportive Model

The supportive model depends on 'leadership' instead of power or money. Through leadership, management provides a climate to help employees grow and accomplish in the interest of an organization. This model assumes that employees will take responsibility, develop a drive to contribute and improve them if management will give them a chance. Therefore, management's direction is to 'Support' the employee's job performance rather than to 'support' employee benefit payments, as in the custodial approach. Since management supports employees in their work, the psychological result is a feeling of participation and task involvement in an, organization.

Collegial Model

The term 'collegial' relates to a body of persons having a common purpose. It is a team concept. Management is the coach that builds a better team. The management is seen as joint contributor rather than as a boss. The employee response to this situation is responsibility. The psychological result of the collegial approach for the employee is 'self-discipline'. In this kind of environment employees normally feel some degree of fulfillment and worthwhile contribution towards their work. This results in enthusiasm in employees' performance.

Four models of organizational behaviour

	Autocratic	*Custodial*	*Supportive*	*Collegial*
Basis of Model	Power	Economic resources	Leadership	Partnership
Managerial-orientation	Authority	Money	Support	Teamwork
Employee psychological result	Dependence on boss	Dependence on organization	Participation	Self-discipline
Employee needs met	Subsistence	Security	Status and recognition	Self-actualization
Performance result	Minimum	Passive cooperation	Awakened drives	Moderate enthusiasm

It is wrong to assume that a particular model is the best model. The selection of model by a manager is determined by a number of factors such as, the existing philosophy, vision and goals of manager. In addition, environmental conditions help in determining which model will be the most effective model.

Limitations of organizational behaviour

1. Organizational behaviour cannot abolish conflict and frustration but can only reduce them. It is a way to improve but not an absolute answer to problems.

2. It is only one of the many systems operating within a large social system.

3. People who lack system understanding may develop a 'behavioral basis', which gives them a narrow view point, i.e., a tunnel vision that emphasizes on satisfying employee experiences while overlooking the broader system of an organization in relation to all its public.

4. The law of diminishing returns also operates in the case of organizational behaviour. It states, that at some point increase of a desirable practice produce declining returns and sometimes, negative returns. The concept implies that for any situation there is an optimum amount of a desirable practice. When that point is exceeded, there is a decline in returns. For example, too much security may lead to less employee initiative and growth. This relationship shows that organizational effectiveness is achieved not by maximizing one human variable but by working all system variables together in a balanced way.

5. A significant concern about organizational behaviour is that its knowledge and techniques could be used to manipulate people without regard for human welfare. People who lack ethical values could use people in unethical ways.

Module 2

INDIVIDUAL BEHAVIOUR

All organizations are composed of individuals. No organization can exist without individuals**.** Human behavior, which is; considered a complex phenomenon, is very difficult to define in absolute terms. It is primarily a combination of responses to external and internal stimuli. These responses would reflect psychological structure of the person and may be results' of the combination of biological and psychological processes, which interpret them, respond to them in an appropriate manner and learn from the result of these responses.

Psychologist Kurt Levin has conducted considerable research into the human behavior and its causes. He believes that people are influenced by a number of diversified factors, which can be both genetic and environmental. The influence of these factors determines the pattern of human behavior.

An individual makes a variety of contributions to an organization in the form of—efforts, skills, ability, time, loyalty and so forth. These contributions presumably satisfy various needs and requirements of the organization. In return for contributions, the organization provides incentives such as pay, promotion, and job security to the employee. Just as the contributions available from the individual must satisfy the organization's needs, the incentives must serve the employees' needs in return.

If both the individual and the organization consider the psychological contract fair and equitable, they will be satisfied with the relationship and are likely to continue it. If either party perceives an imbalance or iniquity in the contract, it may initiate a change. A major challenge faced by an organization, thus, is to manage the psychological contracts.

One specific aspect of managing psychological contracts is managing the person-job fit. The 'person-job fit' is the extent to which the contributions made by the individual match the incentives offered by the organization. The behavior of individuals in organization is the primary concern of management and it is essential that the managers should have an understanding of the factors influencing the behavior of the employees they manage. The figure 5.1 identifies five sets of factors that have an impact upon individual behavior in organizations.

NATURE OF INDIVIDUAL DIFFERENCES

Individual differences are personal attributes that vary from one person to another. Individual differences may be physical and psychological. The following figure shows the attributes of physical and psychological differences.

Physical Differences	Psychological Differences

- Height
- Weight
- Body Shape
- Appearance
- Complexion

- Personality
- Attitudes
- Perception
- Motivation
- Learning

Whenever an organization attempts to assess the individual differences among its employees, it must consider the situation in which that particular behavior occurs. Individual differences make the manager's job extremely challenging. In fact, according to a recent research, "variability among workers is substantial at all levels but increases dramatically with job complexity. Due to these reasons, growing work force diversity compels managers to view individual differences in a fresh way. Leaders now talk frequently about "valuing differences" and learn to "manage diversity". So rather than limiting diversity, as in the past, today's managers need to better understand and accommodate employee diversity and individual differences.

Important dimensions of individual differences

- Self-concept
- Personality dimensions
- Abilities, and
- Personal values and ethics.

Self-concept

Self is the core of one's conscious existence. Awareness of self is referred to as one's self-concept. Sociologists Viktor Gecas defines self-concept as "the concept the individual has of himself as a physical, social and spiritual or moral being". In other words, every individual recognizes himself as a distinct individual. A self-concept would be impossible without the capacity to think. This brings us to the role of cognitions. Cognitions represent, "any knowledge, opinion, or belief about the environment about oneself, or about one's behavior". Among many different types of cognitions, those involving expectation, planning, goal setting, evaluating and setting personal standards are particularly relevant to organizational, behavior.

Self-esteem

Self-esteem is a belief over one's own worth based on an overall self-evaluation. Those with low self-esteem tend to view themselves in negative terms. They do not feel good about themselves, tend to have trouble in dealing effectively with others, and are hampered by self-doubts. High self-esteem individuals, in contrast, see themselves as worthwhile, capable and acceptable. Although, high self-esteem is generally considered a positive trait because it is associated with better performance and greater satisfaction, recent research uncovered flaws among those having high self-esteem. Specifically, high self-esteem subjects tended to become self-centered and boastful when faced with situations under pressure Hence moderate self-esteem is desirable.

Managers can build employee self-esteem in four ways:

1.   Be supportive by showing concern for personal problems, interests, status and contribution.

2. Offer work involving variety, autonomy and challenges that suit the individual's values, skills and abilities.
3. Strive for management-employee cohesiveness and trust building.
4. Have faith in each employee's self-management ability, reward successes.

Self-efficacy

Self-efficacy is a person's belief about his' or her chances of successfully accomplishing a specific task. According to one organizational behavior writer, "Self-efficacy arises from the gradual acquisition of complex, cognitive, social, linguistic, and/or physical skills through experience",

There is strong linkage between high self-efficacy expectations and success in terms of physical and mental tasks, anxiety reduction, addiction control, pain tolerance and illness recovery. Oppositely, those with low self-efficacy expectations tend to have low success rates.

Personality Dimensions

The big, five personality dimensions are: extroversion, agreeableness, thoroughness, emotional stability and openness to experience. Ideally, these personality dimensions that correlate positively and strongly with job performance would be helpful in the selection, training and appraisal of employees. The individuals who exhibit; traits associated with a strong sense of responsibility and determination generally perform better than those who do not.

Physical and intellectual qualities

Physical differences among individuals are the most visible of all differences. They are also relatively easy to assess. Intellectual differences are somewhat more difficult to discern, but they too can be assessed by fairly objective means. The abilities/skills and competencies of employees are both physical and intellectual qualities.

- **Ability**- it refers to an individual's skill 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 stable capacities for performing some activity effectively. Learning opportunities translate aptitude into abilities through practice, experience and formal training. Organizations have to ensure that people possess the necessary abilities to engage in the behaviors required for effective performance. This can be accomplished either by careful selection of people or by a combination of selection and training.

- **Skills** – 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 specialized area, (for example accounting), it becomes a skill.

- **Competencies-** are skills associated with specialization. Competencies are skills that have been refined by practice and experience and that enable, the-individual to specialize 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 visualization, comprehension and inter-personal abilities can also be developed through practice and education. Even in the absence of such formal programs, 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 organizations.

Psychological Process of behaviour

Behaviour represents the course of action of a person. It is the outcome of an action also. It is easy to understand the behaviour of a person, if we know what caused it or what made the person behave in a particular way. It caused by number of variables. Some of the stated as under;

SR Model :(Stimulus- Response model)

The model assumes that the reasons which cause human behavior are of two types; internal feeling and external environment. Internal feeling of a person may relate to his motivational factors whereas external environment which is also called the stimulus directly influence the activity of a person. Stimulus can be anything from the external environment like heat, sound etc. the behaviour is determined by the stimulus or in other way the external environment forces determine one's behaviour. From stimulus, the behaviour (response) occurring.
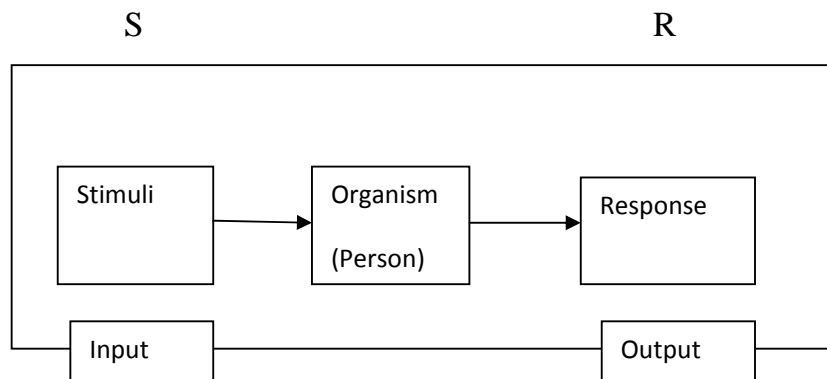
S.O.B.A Model: (Stimulus –organism- Behavior-Accomplishment Model)

This model combines the SR model and human being. Here the organism is immobile/ passive, but it is mediating, maintenance and adjective function between S and R
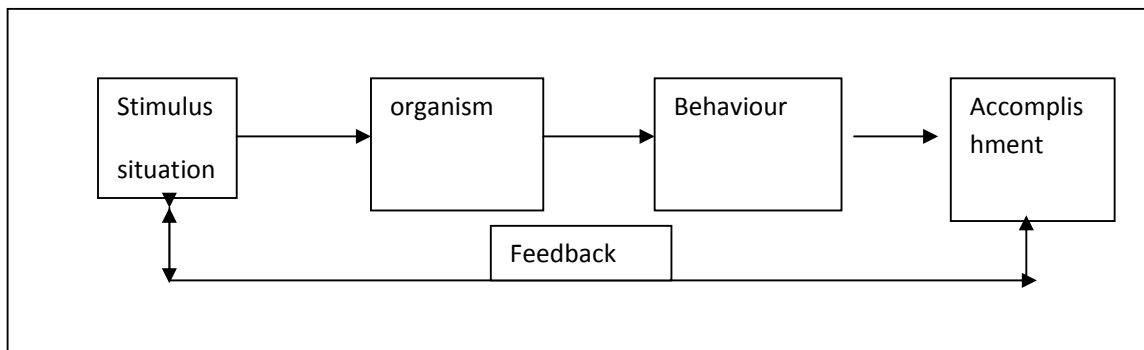
Stimuli(S) - Denotes the external environmental situations. Stimulus is very comprehensive and all encompassing nature. it stimulates people into action, interrupt what they are doing and help them to make their choices.

Organism (O) - organism not only stands for physiological being but also heredity, knowledge, skills, attitude etc. it maintains the interaction between stimulus always.

Behaviour (B) - it includes body actions, facial expressions, emotions and thinking. Behaviour is anything done by a person.

Accomplishment (A) - accomplishments are the consequences of behaviour. Some of the accomplishments stimulate the organism repetitively and some doesn't.

Thus individual behaviour is not a self induced phenomenon, but it is affected by a larger system. Individuals behave differently to different stimuli because of multitude of factors. This includes an individual's **:**

Factors Influencing Individual Behaviour

1. **Personality-**personality traits
2. **Economic factors-**wage rate, technological change, the job, economic outlook, employment opportunity etc.
3. **Socio-cultural factors-**social environment consist of relation with friends, relatives, co-workers, superiors, subordinates etc.
4. **Cultural factors-** basic values, perceptions, work ethics, preferences etc.
5. **Organizational factors-** structure, hierarchy, resources, leadership, support etc, from organization
6. **Motivation-** internal motivation (individual skill, ability, intelligence etc.) external (incentives, training etc.)
7. **Attitudes**- perception favorably or unfavorably.
8. **Values-** personally or socially preferable.
9. **Abilities-** actual skills and capabilities of a person and physical-mental ability
10. **Perception-** is the viewpoint which one interpret a situation.
11. **Personal factors**- age, sex, education, intelligence, marital status, religion etc.

PERSONALITY

The term personality has been derived from Latin word *"personnare"* which means to speak through. Personality is traditionally refers to how people influence others through their external appearances.

Gorden Allport defines *"Personality is the dynamic organisation within an individual of those psychological systems that determine his unique adjustment to his environment"*.

Personality is a complex, multi-dimensional construct and there is no simple definition of what personality is. Maddi defines personality as, "A stable set of characteristics and tendencies that determine those commonalities and differences in the psychological behavior and that may not be easily understood as the sole result of the social and biological pressures of the moment".

From the above definition we can infer that all individuals have some universally common characteristics. Some personality theorists stress the need of identifying person-situation as interaction. This is equivalent to recognizing the social learning aspects related to personality. Such a social learning analysis is one of the most comprehensive and meaningful ways included in the

overall study of organizational behavior. From this perspective, personality means the way people affect others. It also involves people's understanding themselves, as well as their pattern of inner and outer measurable traits, and the person and situation interaction. People affect others depending primarily upon their external appearance such as height, weight, facial features, color and other physical aspects and traits.

Personality traits

Personality traits are very important in organizational behavior. In particular, five personality traits especially related to job performance have recently emerged from research. Characteristics of these traits can be summarized as follows:

1. *Extroversion:* Sociable, talkative and assertive.
2. *Agreeableness:* Good-natured, cooperative and trusting.
3. *Conscientiousness:* Responsible, dependable, persistent and achievement-oriented.
4. *Emotional Stability:* Viewed from a negative standpoint such as tense, insecure and nervous.
5. *Openness to Experience:* Imaginative, artistically sensitive and intellectual.

Identifying the above "big five" traits related to performance reveals that personality plays an important role in organizational behavior. Besides physical appearance and personality traits, the aspects of personality concerned with the self-concept such as self-esteem and self-efficacy and the person-situation interaction also play important roles.

Personality formation

The personality formation of an individual starts at birth and continues throughout his life. Three major types of factors play important roles in personality formation, which are as follows:

- *Determinants:* The most widely studied determinants of personality are biological, social and cultural. People grow up in the presence of certain hereditary characteristics (body shape and height), the social context (family and friends) and the cultural context (religion and values). These three parts interact with • each other to shape personality. As people grow into adulthood, their personalities become very clearly defined and generally stable.

- *Stages:* According to Sigmund Freud human personality progresses through four stages: dependent, compulsive, oedipal and mature. This concept of stages of growth provides a valuable perspective to organizational behavior. Experienced managers become aware of the stages that their employees often go through. This helps them 19 deal with these stages effectively and promote maximum growth for the individual and for the organization.

- *Traits:* Traits to personality are also based on psychology. According to some trait theories, all people share common traits, like social, (political, religious and aesthetic preferences but each individual's nature differentiates that person from all others.

Determinants of personality

Peoples are very complex. They have different ability and interest. Personality is influenced by four major factors as:

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  Cultural factors                    Family factors
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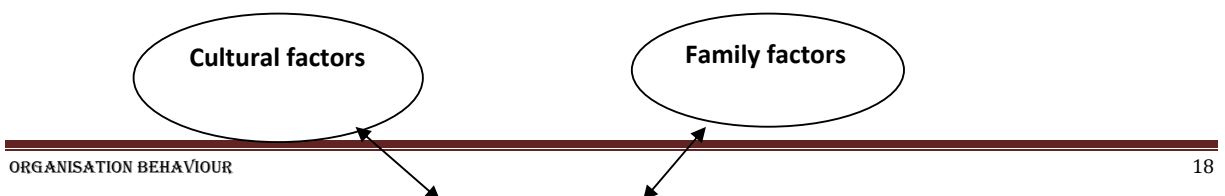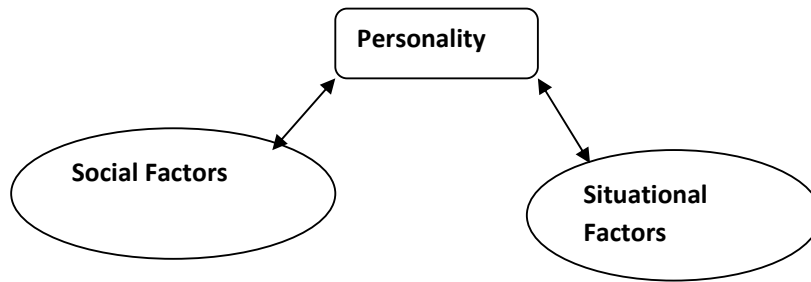
1. Cultural factors

Culture largely determines what a person is and what a person will learn. Culture is the complex of the believes, values and techniques for dealing with the environment which are shared with the contemporaries and transmitted by one generation to the next. Norms, attitude, moral values, introducing and accepting changes etc will influence the personality.

2. Family

Family is an important factor in shaping personality of an individual. The impact of these factors on the personality can be understood identification process. Identification starts when a person begins to identify himself with some other members of the family. Normally child tries to behave like father or mother.

Home environment, family background, social class, parent education level, race, family relationship, geographical location, birth order, number of members in family etc will determine the personality development of an individual

3. Situational factors

Situation extends an important press on individual. Every individual goes through different types of experience and events in his life. Some will influence his behaviour and some will change and modify his behaviour.

Eg. A trauma suffered by a person, especially sex assault, affects his later life also.

Timid/shy person performs his heroic acts in certain life saving situation, without caring for his own safety.

4. Social factors

Socialization is a process by which an infant acquires from the enormously wide range of behavioral potentialities that are open to him at birth or customarily acceptable to the family and social groups. The contribution of family and social group in combination with the culture is known as socialization. It initially starts with the contact with the mother and later on the other members of the family, schoolmates, friends, and then colleagues at workspace and so on. An individual has to accept the norms of the society in which he exists.

Personality factors in organization

Some of the important personalities factors that determine what kind of behaviors are exhibited at work include the following:

Need Pattern

Steers and Braunstein in 1976 developed a scale for the four needs of personality that became apparent in the 'work environment. They are as follows:

- *The need for achievement:* Those with a high achievement need engage themselves proactively in work behaviors in order to feel proud of their achievements and successes.

- *The need for affiliation:* Those in greater need for affiliation like to work cooperatively with others.

- *The need for autonomy:* Those in need for autonomy function in the best way when not closely supervised.

- *The need for dominance:* Those high in need for dominance are very effective while operating in environments where they can actively enforce their legitimate authority.

Locus of Control

Locus of control is the degree to which an individual believes that his or her behavior has direct impact on the consequences of that behavior. Some people, for example, believe that if they work hard they will certainly succeed. They, strongly believe that each individual is in control of his or her life. They are said to have an internal locus of control. By contrast, some people think that what happens to them is a result of fate, chance, luck or the behavior of other people, rather than the lack of skills or poor performance on their part. Because- these individuals think that forces beyond their control dictate the happenings around them, they are said to have an external locus of control.

Introversion and Extroversion

Introversion is the tendency of individuals, which directs them to be inward and process feelings, thoughts and ideas within themselves. Extroversion, on the contrary, refers to the tendency in individuals to look outside themselves, searching for external stimuli with which they can interact. While there is some element of introversion as well as extroversion in all of us, people tend to be dominant as either extroverts or introverts. Extroverts are sociable, lively and gregarious and seek outward stimuli or external exchanges. Such individuals are likely to be most successful while working in the sales department, publicity office, personal relations unit, and so on, where they can interact face to face with others. Introverts, on the other Hand, are quiet, reflective, introspective, and intellectual people, preferring to interact with a small intimate circle of friends. Introverts are more likely to be successful when they can work on highly abstract ideas such as R&D work, in a relatively quiet atmosphere. Since managers have to constantly interact with individuals both in and out of the organization and influence people to achieve the organization's goals, it is believed that extroverts are likely to be more successful as managers.

Tolerance for Ambiguity

This personality characteristic indicates the level of uncertainty that people can tolerate to work efficiently without experiencing undue stress. Managers have to work well under conditions of extreme uncertainty and insufficient information, especially when things are rapidly changing in the organization's external environment. Managers who have a high tolerance for ambiguity can cope up well under these conditions. Managers, who have a low tolerance for ambiguity may be effective in structured work settings but find it almost impossible to operate effectively when things are rapidly changing and much information about the future events is not available. Thus, tolerance for ambiguity is a personality dimension necessary for managerial success.

Self-Esteem and Self-Concept

Self-esteem denotes the extent to which individuals consistently regard themselves as capable, successful, important and worthy individuals. Self-esteem is an important personality factor that determines how managers perceive themselves and their role in the organization. Self-esteem is important to self-concept, i.e., the way individuals, define themselves as to who they are and derive their sense of identity. High self-esteem provides a high sense of self-concept, which, in turn,

reinforces high self-esteem. Thus, the two are mutually reinforcing. Individuals with a high self-esteem will try to take on more challenging assignments and be successful. Thus, they will be enhancing their self-concept i.e., they would tend to define themselves as highly valued individuals in the organizational system. The higher the self-concept and self-esteem, the greater will be their contributions to the goals of the organization, especially when the system rewards them for their contributions.

Authoritarianism and Dogmatism

Authoritarianism is the extent to which an individual believes that power and status differences are important within' hierarchical social systems like organizations. For example, an employee who is highly authoritarian may accept directives or orders from his superior without much questioning. A person who is not highly authoritarian might agree to carry out appropriate and reasonable directives from his boss. But he may also raise questions, express disagreement and even refuse to carry out requests if they arc for some reason objectionable.

Dogmatism is the rigidity of a person's beliefs and his or her openness to other viewpoints. The popular terms 'close-minded' and 'open-minded' describe people who are more and less .dogmatic in their beliefs respectively. For example, a manager may be unwilling to listen to a new idea related to doing something more efficiently. He is said to be a person who is close-minded or highly dogmatic. A manager who is very receptive to hearing about and trying out new ideas in the same circumstances might be seen as more open-minded or less dogmatic. Dogmatism can be either beneficial or detrimental to organizations, but given the degree of change in the nature of organizations and their environments, individuals who are, not dogmatic are most likely to be useful and productive organizational members.

Risk Propensity

Risk-propensity is the decree to which an individual is willing to take chances and make risky decisions. A manager with a high-risk propensity might be expected to experiment with new ideas and to lead the organization in new directions. In contrast, a manager with low risk propensity might lead to a stagnant and overly conservative organization.

Machiavellianism

Machiavellianism is manipulating or influencing other people as a primary way of achieving one's goal. An individual tends to be Machiavellian, if he tends to be logical in assessing the system around, willing to twist and turn facts to influence others, and try to gain control of people, events and situations by manipulating the system to his advantage.

Type A and B Personalities

Type A persons feel a chronic sense of time urgency, are highly achievement-oriented, exhibit a competitive drive, and are impatient when their work is slowed down for any reason. Type B persons are easy-going individuals who do not feel the time urgency, and who do not experience the competitive drive. Type A individuals are significantly more prone to heart attacks than Type B individuals. While Type A persons help the organization to move ahead in a relatively short period of time they may also suffer health problems, which might be detrimental to both themselves and the organization in the long run.

Work-Ethic Orientation

Some individuals are highly work-oriented while others try to do the minimum Work that is necessary to get by without being fired on-the-job. The extremely work oriented person gets greatly

involved in the job. Extreme work ethic values could lead to traits of "workahollism" where work is considered as the only primary motive for living with very little outside interests. For a workaholic turning to work can sometimes become a viable alternative to facing non-work related problems. A high level of work ethic orientation of members is good for the organization to achieve its goals. Too much "workahollism", however, might lead to premature physical and mental exhaustion and health problems, which is dysfunctional for both organization and the workaholic members.

The above ten different personality predispositions are important for individual, managerial and organizational effectiveness.

In summary, personality is a very diverse and complex cognitive process. It incorporates almost everything. As defined above, personality means the whole person. It is concerned with external appearance and traits, self and situational interactions. Probably the best statement on personality was made many years ago by Kluckhohn and Murray, "to some extent, a person's personality is like all other people's, like some other people's, and like no other people's."

ATTITUDE AND PERCEPTION

In simple words, an "attitude" is an individual's point of view or an individual's way of looking at something. To be more explicit, an "attitude" may be explained as the mental state of an individual, which prepares him to react or make him behave in a particular pre-determined way. it is actually acquired feeling.

An attitude is defined as, "a learned pre-disposition to respond in a consistently favourable or unfavorable manner with respect to a given object".(Katz and Scotland)

Attitude is the combination of beliefs and feelings that people have about specific ideas, situations or other people. Attitude is important because it is the mechanism through which most people express their feelings.

COMPONENTS OF ATTITUDE

Attitude has three components, which are as follows:

- Affective component
- Cognitive component
- Intentional component

The affective component of an attitude reflects 'feelings and emotions' that an individual has towards a situation. The cognitive component of an attitude is derived from 'knowledge' that an individual has about a situation. Finally, the intentional component of an attitude reflects how an individual 'expects to behave' towards or in the situation. For example, the different components of an attitude held towards a firm, which supplies inferior products and that too irregularly could be described as follows:

- "I don't like that company"—Affective component.
- "They are the worst supply firm I have ever dealt with"—Cognitive component.
- "I will never do business with them again"'—Intentional component.

People try to maintain consistency among the three components of their attitudes. However, conflicting circumstances often arise. The conflict that individuals may experience among their own attitudes is called 'cognitive dissonance.

ATTITUDE FORMATION AND CHANGE

Individual attitude are formed over time as a result of repeated personal experiences with ideas, situations or people. One of the very important ways to understand individual behaviour in an organization is that of studying attitude, which is situational specific and learned.

An attitude may change as a result of new information. A manager may have a negative attitude about a new employee because of his lack of job-related experience. After working with a new person, a manager may come to realize that he is actually very talented and subsequently may develop a more positive attitude toward him.

Work-Related Attitudes

People in an organization form attitude about many things such as about their salary, promotion possibilities, superiors, fringe benefits, food in the canteen, uniform etc. Especially some important attitudes are job satisfaction or dissatisfaction, organizational commitment and job involvement.

Job Satisfaction

Job satisfaction is an attitude reflects the extent to which an individual is gratified or fulfilled .by his or her work. Extensive research conducted on job satisfaction has indicated that personal .factors such as an individual's needs and aspirations determine this attitude, along with group and organizational factors such as relationships with co-workers and supervisors, working conditions, work policies and compensation.

A satisfied employee also tends to be absent less often, makes positive contributions, and stays with the organization. In contrast, a dissatisfied employee may be absent more often may experience stress that disrupts co-workers, and may keep continually look for another job.

Organizational factors that influence employee satisfaction include pay, promotion, policies and procedures of the organizations and working conditions. Group factors such as relationship with co-workers and supervisors also influence job- satisfaction. Similarly, satisfaction depends on individual factors like individual's needs and aspirations. If employees are satisfied with their job, it may lead to low employee turnover and less absenteeism and vice-versa.

Organizational Commitment and Involvement

Two other important work-related attitudes arc organizational commitment and involvement. Organizational commitment is the individual's feeling of identification with and attachment to an organization. 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.

There are a number of factors that lead to commitment and involvement. Both may increase with an employee's age and years with the organization, with his sense of job security and participation in decision-making. If the organization 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 commitment. In particular, designing jobs, which are interesting and stimulating, can enhance job involvement.

Measurement of Attitude

Since attitude is a psychological phenomenon, it is necessary to measure because it affects the feeling of the people, labour turn over, absenteeism, productivity etc. some of the popular method to measure attitudes are

1. **Opinion survey**-this is based on questionnaire with closed end questions(Y/N questions) or multiple choice questions regarding nature of work, environment, rewards etc. through which attitude is measured.

2. **Interviews**- an interview board consisting of neutral person conducting interview with employees and keep the result as confidential

3. **Scaling techniques**-Thurston attitude scale, Likert scale etc.

Sources of attitude

1. Direct personal experience
2. Association
3. Family and per groups
4. Neighborhood
5. Economic status and occupation
6. Mass communication

PERCEPTION

Perception is described as a person's view of reality. Perception is an important mediating cognitive process. Through this complex process, people make interpretations of the stimulus or situation they are faced with. Both selectivity and organization go 'into perceptual, interpretations. Externally, selectivity is affected by intensity, size, contrast, repetition, motion and novelty and familiarity. Internally, perceptual selectivity is influenced by the individual's motivation, learning and personality. After the selective process filters the stimulus situation, the incoming information is organized into a meaningful whole.

"It is the interpretation of sensory data so as to gather meaningful ideas". In the process of perception, people receive many different kinds of information through all five senses, assimilate them and then interpret them. Different people perceive the same information differently.

Perception plays a key role in determining individual behaviour in organizations. Organizations send messages in a variety of forms to their members regarding what they are expected to do and not to do. In spite of organizations sending clear messages, those messages are subject to distortion in the process of being perceived by organizational members. Hence, managers need to have a general understanding of the basic perceptual process.

Basic Perceptual Process

Perception is influenced by characteristics of the object being perceived, by the characteristics of the person and by the situational processes. Perception is a screen or filter through which information passes before having an effect on people. It consists of:

1. **Perceptual input**- Information, object, event, people, symbols etc. Characteristics of the object include contrast, intensity, movement, repetition and novelty. Characteristics of the person include attitude, self-concept and personality.

2. **Perceptual mechanism**- receiving of information by means of five senses from the external environment and process them to form output. It includes:
   a. Perceptual receiving
   b. Perceptual selectivity
   c. Perceptual organization
   d. Perceptual Interpretation (perceptual context, perceptual defense, halo effect, projection, attribution, stereo typing etc.)

3. **Perceptual output**- behavioral outcome of perceptual mechanism. It is the result of perceptual process. It includes attitude, opinions, feelings, values and behaviour

The details of a particular situation affect the way a person perceives an object; the same person may perceive the same object very differently in different situations. The processes through which a person's perceptions are altered by the situation include selection, organization, attribution, projection, stereotyping process, and the halo effect process. Among these, selective perception and stereotyping are particularly relevant to organizations.

Perceptual context

Sometimes visual stimuli will be completely meaningless without context. In organization, a pat on the back, a suggestive gesture, a raised eyebrow etc. will be meaningless without proper context. They will be made more meaningful if an employee receives a pat on the back for enhancement of his performance and like that.

Perceptual defense

People often screen out perceptual stimuli that make them uncomfortable and dissatisfying people generally build defenses against stimuli or events that are either personally or culturally unacceptable or threatening. Perceptual defence is performed by

a. Denying the existence or importance of conflicting information.

b. Distorting the new information to match the old

c. Acknowledging the existence of new information but treating it as a non- representative exception.

Selective Perception

Selective perception is the process of screening out information that we are uncomfortable with or that contradicts our beliefs. For example, a manager has a very positive attitude about a particular worker and one day he notices that the worker seems to be goofing up. Selective perception may make the manager to quickly disregard what he observed. For example, a manager who has formed a very negative attitude about a particular worker and he happens to observe a high performance from the same worker. In this case influenced by the selective perception process he too will disregard it.

In one sense, selective perception is beneficial because it allows us to disregard minor bits of information. But if selective perception causes managers to ignore important information, it can become quite detrimental.

Halo effect

It is the tendency of judging the person entirely on the basis of a single trait which may be favourable or unfavourable. We judge a person by our first impression about him or her. When we draw general impression about an individual based on single characteristics such as intelligence, sociability or appearance, a halo effect is operating. This phenomenon frequently occurs when students appraise their classroom teacher.

Stereotyping

Stereotyping is the process of categorizing or labeling people on the basis of a single attribute. Perceptions based on stereotypes about people's sex exist more or less in all work places. Typically, these perceptions lead to the belief that an individual's sex determines which tasks he or she will be

able to perform. For example, if a woman is sitting behind the table in the office, she will be very often, perceived as a clerk and not an executive at first. But it would induce holding an exactly opposite assumption about a man. Stereotyping consists of three steps: identifying categories of people (like women, politician), associating certain characteristics with those categories (like passivity, dishonesty respectively) and then assuming that anyone who fits a certain category must have those characteristics. For example, if dishonesty is associated with politicians, we are likely to assume that all politicians are dishonest.

Projection

It refers to the tendency of the people to see their on traits in other people. It means that when they make judgments about others, they project their own characteristics in others.eg. For a lazy supervisor, every worker is lazy or idle

Attribution

Perception is also closely linked with another process called attribution. Attribution is a mechanism through which we observe behaviour and then attribute certain causes to it. According to Attribution theory, once we observe behaviour we evaluate it in terms of its consensus, consistency and distinctiveness. Consensus is the extent to which other people in the same situation behave in the same way. Consistency is the degree to which the same person behaves in the same way at different times. Distinctiveness is the extent to which the same person behaves in the same way in other situations. The forces within the person (internal) or outside the person (external) lead to the behaviour.

For instance, if you observe that an employee is much more motivated than the people around (low consensus), is consistently motivated (high consistency), and seems to work hard no matter what the task (low distinctiveness) you might conclude that internal factors are causing that particular behaviour. Another example is of a manager who observes that an employee is late for a meeting. He might realize that this employee is the only one who-is laic (low consensus), recall that he is often late for other meetings (high consistency), and subsequently recall that the same employee is sometimes late for work (low distinctiveness). This pattern of attributions might cause the manager to decide that the individual's behaviour requires a change. At this point, the manager might meet the subordinate to establish some disciplinary consequences to avoid future delays.

Impression management

Social perception is concerned with how one individual perceives other individuals. Conversely, impression management is the process by which the general people attempt to manage or control the perceptions that others form about them. People often tend to present themselves in such a way so as to impress others in a socially desirable manner. Thus, impression management has considerable' implications for activities like determining the validity of performance appraisals. It serves as a pragmatic, political tool for someone to climb the ladder of success in organizations.

Factors Affecting perception

Perceptual selection is determined by two broad factors:

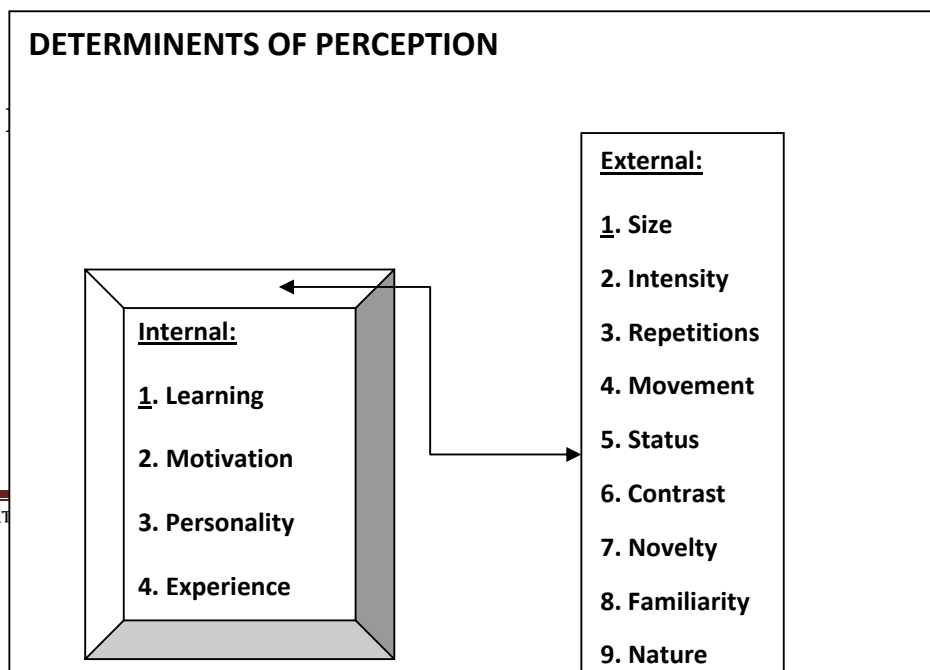1. External factors
2. Internal factors

External factors

These factors relate the environment. They include:

A. **Size** – size determines the height or weight of an individual, object etc. bigger the size, higher will be the perception.

B. **Intensity**- intensity attracts to increase the selective perception. Eg. An illuminated shop attracts attention of the customers.

C. **Repetition**- repeated message and advertisement is more likely perceived than a single one.

D. **Movements** – moving objects are more likely to be perceived than a stationary object. A moving car is more perceived than a parked car.

F. **Status**- high status people can influence the perception of employees than low status people. An order from the Managing Director may be perceived by employees quickly.

G. **Contrast -** an object which contrasts with surrounding environment is more likely to be noticed. E.g. "EXIT" sign in the cinema hall, Danger sign in transformers etc.

H. **Novelty and Familiarity**- this states that either the familiar or novel factor can serve as attention better. E.g. Face of a film star can be identified even in a crowd. Novel or new type of advertisement like DOCOMO…

I. **Nature** – perception level may be varied according to the nature of input or stimuli. Eg. A picture attracts more attention than a word.

J. **Order**- the order in which the objects or stimuli are presented is an important factor for attention. E.g. Welcome speech at the beginning will attract more attention. Like that, in film, suspense will be revealed at last to heighten the curiosity and perceptive attention.

Internal factors

Internal or personal factors also influence the perception process. The important personal factors are:

A. **Learning**- A perceptual set is basically what a person expects from the stimuli on the basis of experience and learning relative to same or similar stimuli. Eg. Perception on sign board will be different for those who learned driving and those who not.

   Motivation- Motivation also plays an important role in influencing perception. E.g. A hungry person will be very sensitive to the smell or sight of food than a non-hungry one.

B. **Personality-** perception is also influenced by personality especially young and old, man to women etc**.**

C. **Experience-**a successful experience enhance and boost the perceptive ability and leads to accuracy in perception whereas failure erodes confidence

DETERMINENTS OF PERCEPTION

External:

1. Size

2. Intensity

3. Repetitions

4. Movement

5. Status

6. Contrast

7. Novelty

8. Familiarity

9. Nature

Internal:

1. Learning

2. Motivation

3. Personality

4. Experience

THEORIES OF LEARNING

Learning is an important psychological process that-determines human behavior. Simple way, "learning is something we did when we went to school "it is permanent changing behavior through education and training, practice and experience. Learning can be defined as *"relatively permanent change in behavior that occurs as a result of experience or reinforced practice".* There are four important points in the definition of learning:

1. Learning involves a change in behavior, though this change is not necessarily an improvement over previous behavior. Learning generally has the connotation of improved behavior, but bad habits, prejudices, stereotypes, and work restrictions are also learned.

2. The, behavioral change must be relatively permanent. Any temporary change in behavior is not a part of learning.

3. The behavioral change must be based on some form of practice or experience.

4. The practice or experience must be reinforced in order so as to facilitate learning to occur.

Components of the learning process

The components of learning process are: drive, cue stimuli, response, reinforcement and retention.

Drive

Learning frequently occurs in the presence of drive - any strong stimulus that impels action. Drives are basically of two types -primary (or physiological); and secondary (or psychological). These two categories of drives often interact with each other. Individuals operate under many drives at the same time. To predict a behavior, it is necessary to establish which drives are stimulating the most.

Cue Stimuli

Cue stimuli are those factors that exist in the environment as perceived by the individual. The idea is to discover the conditions under which stimulus will increase the probability of eliciting a specific response. There may be two types i of stimuli with respect to their results in terms of response concerned: generalization and discrimination.

Generalization occurs when a response is elicited by a similar but new stimulus. If two stimuli are exactly alike, they will have the same probability of evoking a specified response. The principle of generalization has important implications for human learning. Because of generalization, a person does not have to 'completely relearn each of the new tasks. It allows the members to adapt to overall changing conditions and specific new assignments. The individual can borrow from past learning experiences to adjust more smoothly to new learning situations.

Discrimination is a procedure in which an organization learns to emit a response to a stimulus but avoids making the same response to a similar but somewhat different stimulus. Discrimination has

wide applications in 'organizational behavior. For example, a supervisor can discriminate between two equally high producing workers, one with low quality and other with high quality.

Responses

The stimulus results in responses. Responses may be in the physical form or may be in terms of attitudes, familiarity, perception or other complex phenomena. In the above example, the supervisor discriminates between the worker producing low quality products and the worker producing high quality products, and positively responds only to the quality conscious worker.

Reinforcement

Reinforcement is a fundamental condition of learning. Without reinforcement, no measurable modification of behavior takes place. Reinforcement may be defined as the environmental event's affecting the probability of occurrence of responses with which they are associated.

Retention

The stability of learned behavior over time is defined as retention and its contrary is known as forgetting. Some of the learning is retained over a period of time while others may be forgotten.

LEARNING THEORIES

Classical Conditioning

The work of the famous Russian physiologist Ivan Pavlov demonstrated the classical conditioning process. When Pavlov presented a piece of meat to the dog in the experiment, Pavlov noticed a great deal of salivation. He termed the food an unconditioned stimulus and the salivation an unconditioned response. When the dog saw the meat, it salivated. On the other hand, when Pavlov merely rang a bell, the dog did not salivate. Pavlov subsequently introduced the sound of a bell each time the meat was given to the dog. The dog eventually learned to salivate in response to the ringing of the-bell-even when there was no meat. Pavlov had conditioned the dog to respond to a learned stimulus. Thorndike called this the "law of exercise" which states that behavior can be learned by repetitive association between a stimulus and a response.

Classical conditioning has a limited value in the study of organizational behavior. As pointed out by Skinner, classical conditioning represents an insignificant part of total human learning. Classical conditioning is passive. Something happens and we react in a specific or particular fashion. It is elicited in response to a specific, identifiable event. As such it explains simple and reflexive behaviors. But behavior of people in organizations is emitted rather than elicited, and it is voluntary rather than reflexive. The learning of these complex behaviors can be explained or better understood by looking at operant conditioning.

Operant Conditioning

An operant is defined as a behavior that produces effects. Operant conditioning, basically a product of Skinnerian psychology, suggests that individuals emit responses that are either not rewarded or are punished. Operant conditioning is a voluntary behavior and it is determined, maintained and controlled by its consequences.

Operant conditioning is a powerful tool for managing people in organizations. Most behaviors in organizations are learned, controlled and altered by the consequences; i.e. operant behaviors. Management can use the operant conditioning process successfully to control and

influence the behavior of employees by manipulating its reward system. Reinforcement is anything that both increases the strength of response and tends to induce repetitions of the behavior. Four types of reinforcement strategies can be employed by managers to influence the behavior of the employees, viz., positive reinforcement, negative reinforcement, extinction and punishment.

Positive Reinforcement

Positive reinforcement strengthens and increases behavior by the presentation of a desirable consequence (reward). In other words, a positive reinforce is a reward that follows behavior and is capable of increasing the frequency of that behavior. There are two types of positive: reinforces: primary and secondary. Primary rein forcers such as food, water and sex are of biological importance and have effects, which arc independent of past experiences. For instance, a primary reinforce like food satisfies hunger need and reinforced food-producing behavior. Secondary reinforces like job advancement, recognition, praise and esteem result from previous association with a primary reinforce. Primary reinforces must be learned. In order to apply reinforcement procedures successfully, management must select reinforces that are sufficiently powerful and durable.

Negative Reinforcement

The threat of punishment is known as negative reinforcement. Negative reinforces also serve to strengthen desired behavior responses leading to their removal or termination.

Extinction

Extinction is an effective method of controlling undesirable behavior. It refers to non-reinforcement. It is based on the principle that if a response is not reinforced, it will eventually disappear. Extinction is a behavioral strategy that does not promote desirable behaviors but can help to reduce undesirable behaviors.

Punishment

Punishment is a control device employed in organizations to discourage and reduce annoying behaviors of employees.

Observational learning

Observational learning results from watching the behavior of another person and appraising the consequences of that behavior. It does not require an overt response. When Mr. X observes that Y is rewarded for superior performance, X learns the positive relationship between performance and rewards without actually obtaining the reward himself. Observational learning plays a crucial role in altering behaviors in organizations.

Cognitive Learning

Here the primary emphasis is on knowing how events and objects are related to each other. Most of the learning that takes place in the classroom is cognitive learning. Cognitive learning is important because it increases the change that the learner will do the right thing first, without going through a lengthy operant conditioning process.
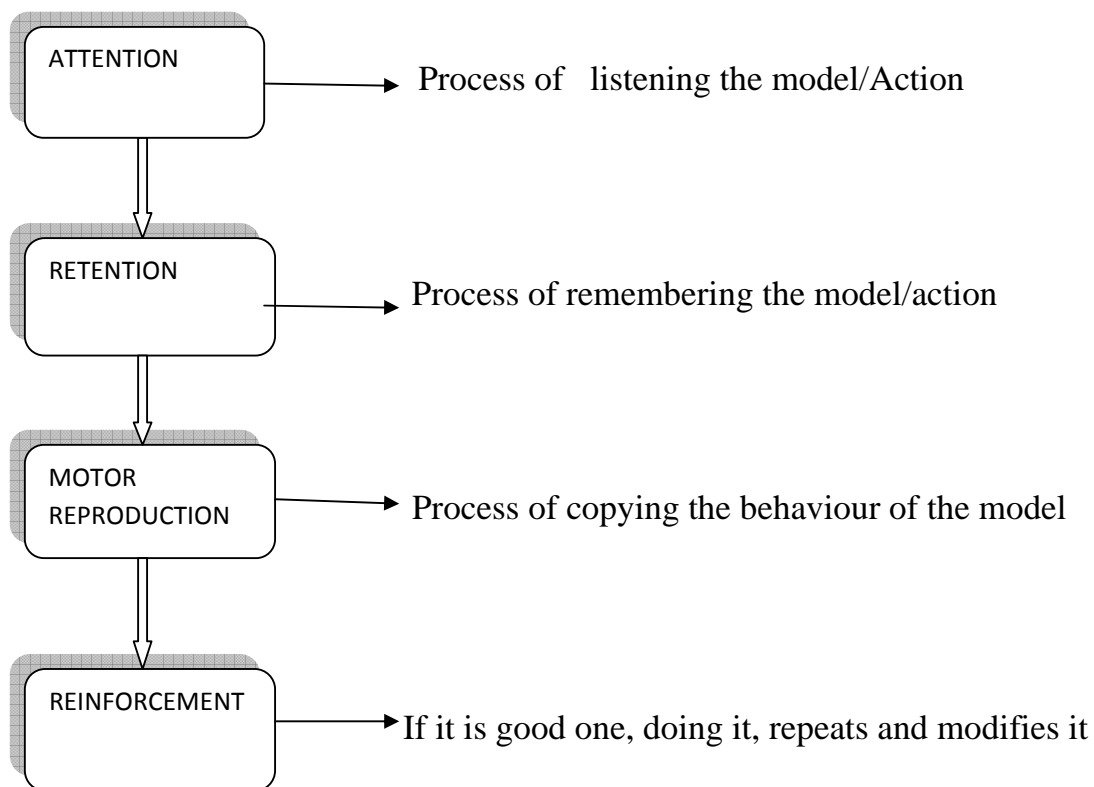
Social Learning

Social learning integrates the cognitive and operant approaches of learning. It recognizes the learning doesn't take place only because of environmental stimuli (classical and operant views) and

of individual stimulus (Cognitive approach), but it is a blend of both views. It also emphasizes that people acquire new behaviours by observing or imitating others in a social setting. Thus it is an interactive nature of cognitive, behavioural and environmental determinants.

Learning can be gained discipline and self control and an inner desire to acquire knowledge and skills irrespective of rewards or consequences. It is also possible by observing others. This is called **vicarious learning or modeling** or imitation in which another person acts as a role model, whose behaviour we tend to imitate.

E.g. Subordinates may observe their boss; students may observe their teachers and model them. The steps of modeling are:

ATTENTION	→ Process of listening the model/Action
RETENTION	→ Process of remembering the model/action
MOTOR REPRODUCTION	→ Process of copying the behaviour of the model
REINFORCEMENT	→ If it is good one, doing it, repeats and modifies it

Learning theory and organizational behaviour

The relevance of the learning theories for explaining and predicting of organizational behavior is marginal. This does not mean that learning theories are totally irrelevant. Learning concepts provide a basis for changing behaviors that are unacceptable and maintaining those behaviors that are acceptable. When individuals engage in various types of dysfunctional behavior such as late for work, disobeying orders, poor performance, and the manager will attempt to educate more functional behaviors.

Learning theory can also provide certain guidelines for conditioning organizational behavior. Managers know that individuals capable of giving 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 behavior of employees; by manipulating its reward system.

THEORIES OF MOTIVATION

The word motivation is derived from 'motive', which means an active form of a desire, craving or need that must be satisfied. Motivation is the key to organizational effectiveness. The manager in general has to get the work done through others. These 'others' are human resources who need to be motivated to attain organizational objectives.

Definition

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

In the words of Robert Dublin, it is "the complex of forces starting and keeping a person at work in an organization". Viteles defines motivation as "an unsatisfied need which creates a state of tension or disequilibrium, causing the individual to move in a goal directed pattern towards restoring a state of equilibrium, by satisfying the need."

On the basis of above definitions, the following observations can be made regarding motivation:

- Motivation is an inner psychological force, which activates and compels the person to behave in a particular manner.
- The motivation process is influenced by personality traits, learning abilities, perception and competence of an individual.
- A highly motivated employee works more efficiently and his level of production tends to be higher than others.
- Motivation originates from the-needs and wants of an individual. It is a tension of lacking something in his mind, which forces him to work more efficiently.
- Motivation is also a process of stimulating and channelising the energy of an individual for achieving set goals.
- Motivation also plays a crucial role in determining the level of performance. Highly motivated employees get higher satisfaction, which may lead to higher efficiency.
- Motivating force and its degree, may differ from individual to individual depending on his personality, needs, competence and other factors.

Features of motivation

The following are the features of motivation:

- It is an internal feeling and forces a person to action.
- It is a continuous activity.
- It varies from person to person and from time to time.
- It may be positive or negative.

Need-based theories to motivation

Need-based theories try to answer the question, "what factor(s) motivate people to choose certain behaviors?" Some of the widely known need-based theories are as follows:

(a) Maslow's Hierarchy of Needs

Maslow Abraham proposed his theory in the 1940s. This theory, popularly known as the Hierarchy of Needs assumes that people are motivated to satisfy five levels of needs: physiological, security, belongingness, esteem and self-actualization needs. The following figure shows Maslow's hierarchy of needs.

Self Actualization Needs

Esteem Needs

Social Needs

Safety Needs

Physiological/Basic Needs
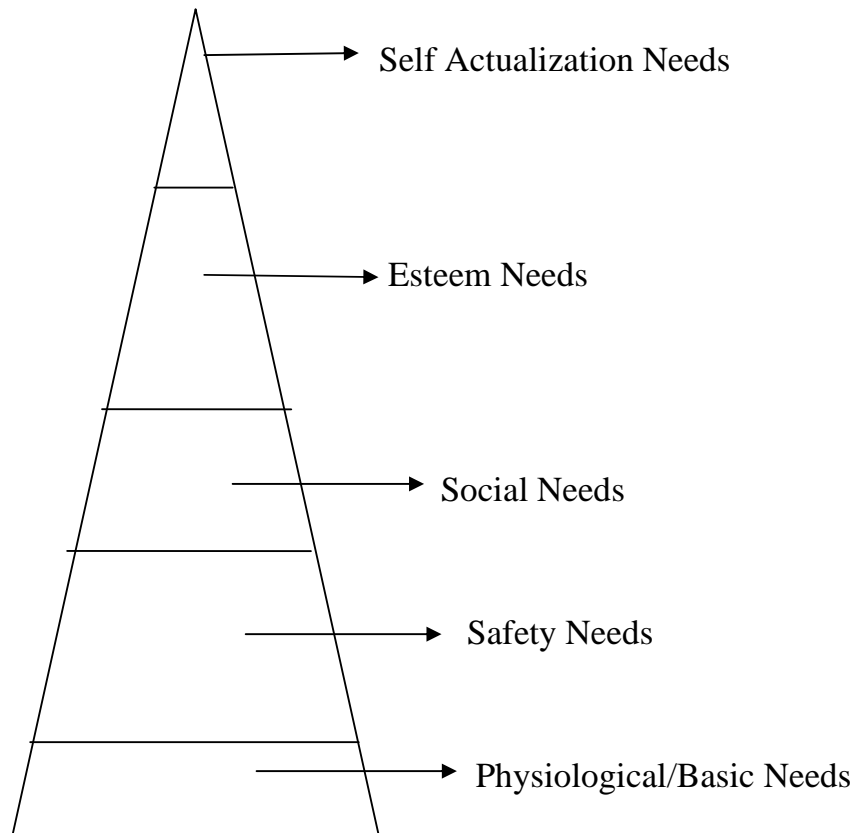
Maslow's Need Hierarchy

Maslow suggested that the five levels of needs are arranged in accordance with their importance, starting from the bottom of the hierarchy. An individual is motivated first and foremost to satisfy physiological needs. When these needs are satisfied, he is motivated and 'moves up' the hierarchy to satisfy security needs. This 'moving up process continues until the individual reaches the self-actualization level.

Physiological needs represent the basic issues of survival such as food, sex, water and air. In organizational settings, most physiological needs are satisfied by adequate wages and by the work environment itself, which provides employees with rest rooms, adequate lighting, comfortable temperatures and ventilation.

Security or safety needs refer to the requirements for a secure physical and emotional environment. Examples include the desire for adequate housing and clothing, the need to be free

from worry about money and job security and the desire for safe working conditions. Security needs are satisfied for people in the work place by job continuity, a grievance resolving system and an adequate insurance and retirement benefit package.

Belonging or social needs are related to the, social aspect of human life. They include the need for love and affection and the need to be accepted by one's peers. For most people these needs are satisfied by a combination of family and community relationships and friendships on the job. Managers can help ensure the 'satisfaction of these important needs by allowing social interaction and by making employees feel like part of a team or work group.

Esteem needs actually comprise of two different sets of needs:

The need for a positive self-image and self-respect.

The need for recognition and respect from others.

Organizations can help address esteem needs by providing a variety of external symbols of accomplishment such as job titles and spacious offices. At a more fundamental level, organizations can also help satisfy esteem needs by providing employees with challenging job assignments that can induce a sense of accomplishment.

At the top of the hierarchy are those needs, which Maslow defines the self-actualization needs. These needs involve realizing one's potential for continued: growth and individual development. Since these needs are highly individualized and personal, self-actualization needs are perhaps the most difficult for managers to address.

Maslow's concept of the need hierarchy possesses a certain intuitive logic and has been accepted universally by managers. But research has revealed several shortcomings of the theory such as some research has found that five levels of needs are not always present and that the order of the levels is not always the same as assumed by Maslow. Moreover, it is difficult for organizations to use the need hierarchy to enhance employee motivation.

(b) ERG Theory of Motivation

Clayton Alderfer has proposed an alternative hierarchy of needs - called the ERG Theory of Motivation. The letters E, R and G stand for Existence, Relatedness and Growth. The following figure shows ERG theory:
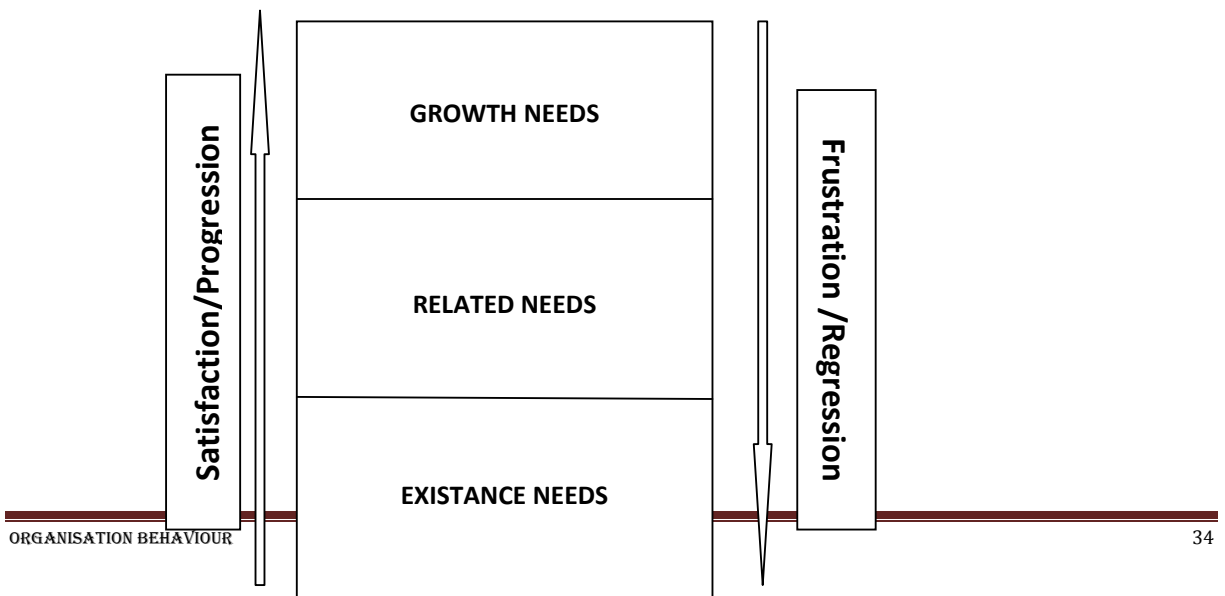
ERG THEORY

The existence needs in this theory refers to the physiological and security needs of Maslow.

 Relatedness needs refers to belongingness and esteem needs.

Growth needs refers to both self-esteem and self-actualization needs.

Although ERG Theory assumes that motivated behavior follows a hierarchy in somewhat the same fashion as suggested by Maslow, there are two important differences.

- Firstly, ERG theory suggests that more than one kind of need might motivate a person at the same time. For example, it allows for the possibility that people can be motivated by a desire for money (existence); friendship (relatedness), and an opportunity to learn new skills (growth) all at the same time.

- Secondly, ERG theory has an element of frustrations-regression that is missing from Maslow's need hierarchy. Maslow maintained that one heed must be satisfied before an individual can progress to needs at a higher level, for example, from security needs to belongingness. This is termed as satisfaction—progression process. Although the ERG theory includes this process, it also suggests that if needs remain unsatisfied at some higher level, the individual will become frustrated, regress to a lower level and will begin to pursue low level needs again. For" example, a workers previously motivated by money (existence needs) is awarded a pay rise to satisfy this needs. Then he attempts to establish more friendship to satisfy relatedness needs. If for some reason an employee finds that it is impossible to become better friends with others in the work place, he may eventually become frustrated and regress to being motivated to earn even more money. This is termed as 'frustration-regression' process.

The ERG theory emphasis on the following key points regarding needs:

- o Some needs may be more important than others.
- o People may change their behavior after any particular set of needs has been satisfied.

(c) The Dual-Structure Approach to Motivation (Two factor Theory)

Another popular need-based approach to motivation is the dual-structure approach developed by **Frederick Herzberg**. This is also known as Two-factor Theory. Herzberg developed this approach after interviewing 200 accountants and engineers in Pittsburg. He asked them to recall such occasions when they had been dissatisfied and less motivated. He found that entirely different sets of factors were associated with satisfaction and dissatisfaction. For instance, an individual who identified 'low pay' as causing dissatisfaction did not necessarily mention 'high pay' as a cause of satisfaction. Instead, several other factors, such as recognition or accomplishment, were cited as causing satisfaction.

This finding suggests that satisfaction and dissatisfaction are at opposite ends of a single scale. Employees would, therefore, be satisfied, dissatisfied or somewhere in between.

Herzberg identified two sets of factors responsible for causing either satisfaction or dissatisfaction. The factors influencing satisfaction are called motivation factors or motivators,

which are related specifically to the job itself and the factors causing dissatisfaction, are called hygiene factors, which are related to the work environment in which the job is performed.

Motivators

- Achievement
- Recognition
- Advancement
- The work itself
- The possibility of personal growth
- Responsibility

Hygiene or Maintenance Factors

- Company policies
- Technical supervision
- Interpersonal relations with supervisor
- Interpersonal relations with peers
- Interpersonal relations with subordinates
- Salary
- Job security
- Personal life
- Work conditions
- Status

Based on these findings, Herzberg recommended that managers seeking to motivate employees should first make sure that hygiene factors are taken care of and that employees are not dissatisfied with pay, security and working conditions. Once a manager has eliminated employee dissatisfaction, Hertzberg recommends focusing on a different set of factors to increase motivation, by improving opportunities for advancement, recognition, advancement and growth. Specifically, he recommends job enrichment as a means of enhancing the availability of motivation factors.

(D) 'X' and 'y' theories of motivation

Douglas McGregor observed two diametrically opposing viewpoints of managers 'about their employees; one is negative called "Theory of X" and another is positive called "Theory of Y".

Theory of X
Following are the assumptions of managers who believe in the "Theory of X" regarding their employees.

- Employees dislike work.
- Employees must be coerced, controlled or threatened to do the work.
- Employees avoid responsibilities and seek formal direction.
- Most employees consider security of job, most important of all other factors in the job and have very little ambition.

Theory of Y
Following are the assumptions of managers who believe in the "Theory of Y" regarding their employees.

- Employees love work as play or rest.

- Employees are self-directed and self-controlled and committed to the organizational objectives.
- Employees accept and seek responsibilities.
- Innovative spirit is not confined to managers alone, some employees also possess it.

Applicability of Theories 'X' and 'Y'

Theory 'X' in its applicability, places exclusive reliance upon external control of human behavior, while theory 'Y', relies heavily on self-control -and self-direction.

Theory 'X' points to the traditional approach of management. Literally, this theory of behavior is related to organizations that lay hard and rigid standards of work-behavior. Some examples of such organizations are organizations that break down jobs into specialized elements; establish 'norms of production, design equipment to control worker's pace of work, have rigid rules and regulations, that are sometimes very vigorously enforced.

Theory 'Y', on the other hand, secures the commitment of employees to organizational objectives. This motivational theory places emphasis on satisfaction of employees. While applying this theory, the use of authority, as an instrument of command and control is minimal. Employees exercise self-direction and self-control.

The concepts of **'Job' Enlargement'**, '**Participation**' and **'Management by Objectives'** are quite consistent with theory ' Y'.

McGregor supports the applicability of motivational theory 'Y', instead of theory 'X'. Organization should keep in mind that once theory 'X' is employed for organizational working, it is difficult for the management to shift to theory ' Y', all of a sudden. However, with systematic, judicious and slow steps, shifting in the practical applicability of theory 'X' to theory ' Y' usually can be achieved.

Mc-Cleland's Need Theory of Motivation

David C. McClelland and his associate Atkinson have contributed to an understanding of motivation by identifying three types of basic motivating needs. These needs have been classified as:

1. Need for Power
2. Need for Affiliation
3. Need for Achievement : :

Need for Power

According to this theory the need for power, which might be defined as the desire to be influential in a group and to control one's environment is an important motivation factor. Research suggests that people with a strong need for power, are likely to be superior performers and occupy supervisory positions. Such types of individuals generally look for positions of leadership, they act effectively, are outspoken, have a stubborn character and exert authority.

Need for Affiliation

The need for affiliation means the desire for human companionship and acceptance. Those with a high need for affiliation often behave the way they think other people want them to, in an effort to maintain friendship. They prefer a job that entails a good deal of social interaction and offers opportunities to make friends. The principal characteristics of such peoples' traits are as follows:

- Desire to like and be liked.
- Enjoy company and friendship.
- Prefer cooperative situation.
- Excel in group task.
- Star attraction in gathering.
- Leadership qualities.

This need is closely associated with the "social-type" of personality, who are sociable, friendly, cooperative and understanding. Persons with high motivation for power and affiliation have better chances of becoming good managers.

Need for Achievement

People with a high need for achievement, always feel ambitious to be successful; are ever prepared to face challenging situations and set arduous goals .for themselves. They are prone to take calculated risks; and possess a high sense of personal responsibility in getting jobs done. These people are concerned with their progress, and feel inclined to put in longer hours of work" Failures never dishearten them and they are always ready to put in their best efforts for excellent performance.

Process-based theories to motivation

Process-based theories to motivation are concerned with how motivation occurs. They focus on why people choose to enact certain behavioral options to fulfill their needs and how they evaluate their satisfaction after they have attained these goals. Two of the most useful process-based approaches to motivation arc expectancy theory and equity theory.

(a) Expectancy Theory of Motivation (Vroom's theory)

Expectancy theory of motivation was developed by- **Victor Vroom**. Basically, Vroom's expectancy theory views motivation as a- process of governing choices. The expectancy theory tries to explain how and why people choose a particular behavior over an alternative. The theory suggests that motivation depends on two things: how much an individual desires a particular goal and how likely he thinks he can get it. For instance, a person is looking for a job and reads an advertisement for a position of Assistant Manager with a starting salary of Rs. 3 lakh per year. Even though he might want the job, he probably does not apply because he is aware that there is little chance of getting it. Next he sees an advertisement is for UD clerk for a salary of Re. 1 lakh per year. In this case he realizes that he .can probably get the job, but still doesn't apply simply because he doesn't want it. Then he comes across another advertisement for a Supervisor in a big organization with a starting salary of Rs. 2 lakh per year. He chooses to apply for this job because he wants it and also thinks that he has a reasonable chance of getting it.

The expectancy theory rests on four assumptions:

- The theory assumes that behavior is determined by a combination of forces in the individual and in the environment.
- It assumes that people make decisions about their own behavior in organizations.
- It assumes that different people have different types of needs, desires and goals.
- It assumes that people make choices from among alternative plans of behavior based on their perceptions of the extent to which a given behavior will lead to desired outcomes.

The above model suggests that motivation leads to efforts and that effort, when combined with individual ability and environmental factors, result in performance. Performance, in turn, leads to various outcomes—each of which has an associated value called its 'valence'. According to this

model, individuals develop some sense of these expectations before they exhibit motivated or non-motivated behavior.

Effort-to-Performance Expectancy

The effort-to-performance expectancy refers to an individual's perception of the probability that effort will result in high performance. When an individual believes that effort will lead directly to high performance, expectancy is quite strong For instance, if one feels sure that studying hard for an examination (effort) will result in scoring high marks (performance), then his effort-to-performance expectancy is high, that is close to 1.0. When an individual believes that effort and performance are unrelated, the effort-to-performance expectancy is very weak, that is close to 0.0. Usually we are not sure about our expectations, so they fall somewhere between 0.0 and 1.0 with a moderate expectancy. ;

Performance-to-Outcome Expectancy

The performance-to-outcome expectancy means an individual's perception of the probability that performance will result in a specific outcome. For example, an individual who believes that high performance will lead to a pay raise has a high performance-to-outcome expectancy, approaching to 1.00. An individual who believes that high performance may possibly lead to a pay raise has a moderate expectancy between 1.00 and 0. And an individual who believes that performance has no relationship to rewards has a low performance-to-outcome expectancy that is close to 0.

Outcomes and Valences

Expectancy theory recognizes that an individual may experience a variety of outcomes as a consequence, of behavior in an organizational environment. A high performer, for example, may get big pay raises, fast promotions and praise from the boss. However, he may also be subject to a lot of stress and incur resentment from co-workers. Each of these outcomes has an associated value or valence that is, an index of how much an individual desires a particular outcome. If an individual wants an outcome, its valence is positive. If an individual does not want an outcome, its valence is negative. If an individual is indifferent to an outcome, its valence is zero. It is this advantage of expectancy theory that goes beyond the need-based approaches to motivation.

Expectancy theory maintains that when all of these conditions are met, the individual is motivated to expand effort. The expectancy theory also has several other important practical implications, which managers should keep in mind. The managers can perform the following activities in relation to this -

- Determine what outcomes employees prefer.
- Define, communicate and clarify the level of performance that is desired.
- Establish attainable performance goals.
- Link desired outcomes to performance goal achievement.

(a-1)The Porter-Lawler Extension

Porter and Lawler have proposed an interesting extension to the expectancy theory. The human relation lists assumed that employee satisfaction causes good performance but research has not supported such relationship. Porter and Lawler suggest that there may indeed be a relationship between satisfaction and performance but that it goes in the opposite direction, that is, superior performance can lead to satisfaction.

Porter-Lawler Model

First, an individual's initial effort is influenced by his perception regarding the value of reward and the likelihood that the effort will yield a reward. The probability that increased effort will lead to improved performance is affected by an individual's traits, abilities and perception of his role in an organization. The model also distinguishes between intrinsic and extrinsic rewards. Finally, the Porter-Lawler model borrows from equity theory the idea that the employee's satisfaction depends on the perceived equity of the rewards relative to the 'effort expended and the level of performance attained.
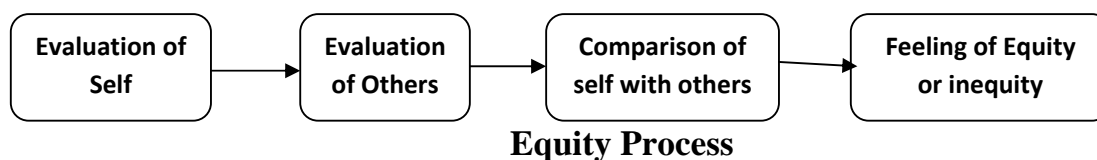
Implications for Managers

Expectancy theory can be useful for organizations attempting to improve the motivation of their employees. Nadler and Lawler suggest a series of steps for managers in applying the basic ideas of the theory.

1. They should determine the primary outcomes that each employee likely desires.
2. They should decide what kind and levels of performance are needed to meet organizational goals.
3. They should ascertain that the desired levels of performance are attainable.
4. They should ensure that desired outcomes and performance are linked.
5. They should also analyze the complete work situation for conflicting expectancies.
6. They should make sure that the rewards are large enough.
7. They should make sure that the overall system is equitable for everyone.

The expectancy theory has also its limitations. It is quite difficult to apply, for example, application of this theory in the work place would require to identify all the potential outcomes for each employee, to determine all relevant expectancies and then to balance everything somehow to maximize employee motivation. Expectancy theory also assumes that people are rational - therefore, they will systematically consider all the potential outcomes and their associated expectancies before selecting a particular behavior. However, few people actually make decisions in such a precise and rational manner.

(b) Equity Theory

J. Stacy Adams developed equity theory of motivation. The equity theory argues that motivations arise out of simple desire to be treated fairly. Equity can be defined as an individual's belief that he is being treated fairly relative to the treatment of others. The figure shows the equity process.

| Evaluation of Self | → | Evaluation of Others | → | Comparison of self with others | → | Feeling of Equity or inequity |

Equity Process

A person's perception of equity develops through a four-step process as shown below:

1. First an individual evaluates the way he is being treated by an organization.

2. The next step is for an individual to choose a co-worker who seems to be in a roughly similar situation and to observe how an organization treats him.

3. In the crucial step of equity theory an individual 'compares' the two treatments.

4. In the fourth step he evaluate a sense of equity to see if the two treatments seem similar or if they are different.

Adam suggests that employees make these comparisons by focusing on input and outcome ratios. An employee's contributions or input to an organization include time, education, effort, experience and loyalty. Outcomes are what an individual receives from an organization such as, pay, recognition and social relationships. The theory suggests that people view their outcomes and inputs as ratio and then- compare their ratio to the ratio of someone else. This other 'person' may be someone in the work group. The comparison may result in three types of attitudes:

- The individual may feel equitably rewarded,
- Under-rewarded.
- Over-rewarded.

An individual will experience a feeling of equity when the two ratios are equal. If an individual has the feeling of equity then he should maintain the status quo. If he has a feeling of inequity then he is likely to change the input.

Reinforcement Based Approaches to Motivation

A final approach to the motivation process focuses on why some behavior are maintained and changed overtime. Reinforcement-based approaches explain the role of those rewards as they cause behavior to change or remain the same over time. Specifically, reinforcement theory is based on the fairly simple assumption that behaviors that result in rewarding consequences are likely to be repeated, whereas behavior those results in punishing consequences are less likely to be repeated. There arc similarities between expectancy theory and reinforcement theory. Both consider the processes by which an individual chooses behaviors in a particular situation. However, the expectancy theory focuses more on behavior choices and the latter is more concerned with the consequences of those choices.

Reinforcement Contingencies

Reinforcement contingencies are the possible outcomes that an individual may experience as a result of his or her behaviors. The four types of reinforcement contingencies that can affect individuals in an organizational setting are positive reinforcement, avoidance, punishment and extinction.

Positive Reinforcement is a method of strengthening behavior. It is a reward or a positive outcome after a desired behavior is performed. When a manager' observes an employee is doing a good job and offers praise then this praise helps in positive reinforcement of behavior. Other positive reinforces include pay, promotions and awards.

The other reinforcement, contingency that can strengthen desired behavior is avoidance. This occurs when an individual chooses certain behavior in order to avoid unpleasant consequences. For instance, an employee may come to work on time to avoid criticism.

Punishment is used by some managers to weaken undesired behaviors. The logic is that the unpleasant, consequence will reduce an undesirable behavior again, for example, punishing with fine for coming late.

Extinction can also be used to weaken behavior especially that has previously been rewarded. When an employee tells a vulgar joke and the boss laughs, the laughter reinforces the behavior and the employee may continue to tell similar jokes. By simply ignoring this behavior and not reinforcing it, the boss can cause the behavior to subside which eventually becomes 'extinct'.

Positive reinforcement and punishment are the most common reinforcement contingencies practiced by organizations. Most managers prefer a judicious use of positive reinforcement and punishment. Avoidance and extinction are generally used only in specialized circumstances.

New approaches to motivation in organizations

New approaches are emerging to supplement the established models and theories of motivation. Two of the most promising are Goal-Setting Theory and the Japanese Approach.

(a) Goal-Setting Theory

This approach to motivation has been pioneered in the USA by Edwin Locke and his associates in 1960s and refined in 1980s. Goal-setting theory suggests that managers and subordinates should set goals for an individual on a regular basis, as suggested by MBO. These goals should be moderately difficult and very specific and of type that an employee will accept and make a commitment to accomplishing them. Rewards should be tied directly to accomplished goals. When involved in goal-settings, employees see how their effort will lead to performance, rewards and personal satisfaction.

Salient features of this theory are as follows:

- Specific goal fixes the needs of resources and efforts.
- It increases performance.
- Difficult goals result higher performance than easy job.
- Better feedback of results leads to better performances than lack of feedback.
- Participation of employees in goal has mixed result.
- Participation of setting goal, however, increases acceptance of goal and involvements.
- Goal setting theory has defined two factors,' which influences the performance. These are given below:
  o Goal commitment
  o Self-efficiency.

The mere act of goal setting does not ensure higher levels of motivation among employees. In fact, there seem to be three important criteria that goals must meet if they are to influence the behavior of organization members. They are goal specificity, goal difficulty and goal acceptance.

Goal Specificity

Goals must be stated in specific terms if they are to motivate effective performance. Goals must be set in terms of measurable criteria of work performance, i.e., number of units produced, new sales etc. and must specify a lime period within which the goal is to be attained. It also gives a sense of personal satisfaction and accomplishment to workers if he is able to meet the specific goal.

Goal Difficulty/Challenge

There exists a relationship between goal difficulty and work motivation. The more difficult- and challenging the goal is, the higher the level of motivation and performance. However, it is essential that goals are set at realistic levels. Goals that are very difficult to achieve are unable to motivate since it is beyond the capacity of the concerned individual.

Goal *Acceptance*

In order to influence motivation and performance, a goal must be internalized by an individual. In other words, the person has to feel some personal ownership of the goal and must have commitment to achieve it.

Goal Setting in Practice

The most obvious implication of goal-setting theory is that managers should be helping subordinates to set goals that are specific and reasonably difficult so that subordinates accept and internalize them as their own goals. Besides this, there are a number of issues that arise in implementing goal setting in practice.

- Though specificity of goal is essential and measurability is desirable, it should not affect in identifying meaningful and valid objective of goal attainment.
- The manager can stimulate goal acceptance in at least three ways:
  - By involving subordinates in goal-setting process.
  - By demonstrating a supportive attitude and approach toward his subordinates.
  - By assigning various rewards to the achievement of goals.

  Management by Objectives (MBO) is a managerial technique for improving motivation and performance using goal-setting principles.

Cognitive Evaluation Theory

A researcher 'Charms' reported in 1960 that extrinsic motivation like pay or rewards for a job, which has an intrinsic-motivation content, which is prior to such rewards. It tends to decrease overall level of motivation. This proposal is called cognitive Evaluation Theory" which has been supported by a large number of research studies conducted subsequently.

(b) Japanese Approach to Motivation

The Japanese approach to motivation has gained increasing popularity around the world during the past few years. This approach is rather a philosophy of management than a theory or model. The basic tenet of the Japanese approach is that managers and workers should perform together as partners. Since both of them see themselves as one group, ail members are committed and motivated to work in the best interests of an organization. No one is called an employee; instead everyone is a team member, team leader or coach and everyone owns the 'share' of an organization. Like goal-setting meow, the Japanese approach is likely to become more common in businesses throughout the world. By stepping along with the above concept, **Z-theory** was introduced by **William Ouchi** in his book **"The Z Theory"**

Enhancing Motivation in Organizations

Managers trying to enhance the motivation of their employees can, of course, draw on any of the theories described above. They may in practice adopt specific interventions derived from one or more theories or they may influence motivation through the organization's reward system. The organization can enhance motivation in following ways:

- *Humanize the work environment:* Respect the need to treat each employee as an individual.
- *Publicize both short and long-term organizational goals:* Encourage personal and departmental goal setting.
- *Promote from within:* It's great for morale and simplifies hiring procedures.

- *Use incentive programs:* Inducing the feeling that 'if you're creative enough, you won't have to rely on expensive financial bonuses.'
- *Establish appropriate deadlines:* Every project should have a deadline.
- *Be liberal with praise:* It's almost impossible to over praise and easy to under praise.
- Be consistent in your own work and in your relations with others.
- *Show a personal interest in the people who work for you:* Relations are always smoother between people who know each other on a personal basis than relations between people who merely want something from each other.
- *Admit mistakes:* People will respect you for it and will be less likely to hide their own mistakes.
- *Don't whitewash unpleasant assignments:* Prepare subordinates for unpleasant assignments well in advance and offer what support you can.

Managerial Approaches for Improving Motivation

A number of approaches can help managers motivate workers, to perform more effectively. The following steps promote intrinsic motivation:

- Workers Participation in Management (WPM)
- Management by Objectives (MBO)
- Organization Behavior Modification
- Job-Redesign
- Alternative Work Schedules.

Two approaches, however, have been especially effective: linking pay to jot performance and quality of work-life programs.

Pay and Job Performance

Pay often can be used to motivate employee performance. But a pay plan also must be able to do the following tasks:

- Create the belief that good performance leads to high levels of pay;
- Minimize the negative consequences of good performance; and
- Create conditions in which rewards other than pay are evaluated as related to good performance.

Quality of Work Life Programs

Quality of Work Life (QWL) is defined as an attempt through a formal program to integrate employee needs and well being with the intention of improved productivity, greater worker involvement and higher levels of job satisfaction.

Programs for QWL improvements range from those requiring minor changes in an organization to those requiring extensive modifications in structure, personnel and the utilization of resources. There are three types of QWL programs, which are as follows:

Quality Circles

Quality Circles (QC) are small groups of workers who meet regularly with their supervisor as their 'circle leader' to solve work-related problems. QCs give an employee an opportunity for

involvement, social-need satisfaction, participation in work improvement and challenge and opportunity for growth. They are, in essence, vehicles for providing employees with opportunities to satisfy lower and upper-level needs as stated by Maslow, through the motivators described in 'Herzberg's theory.
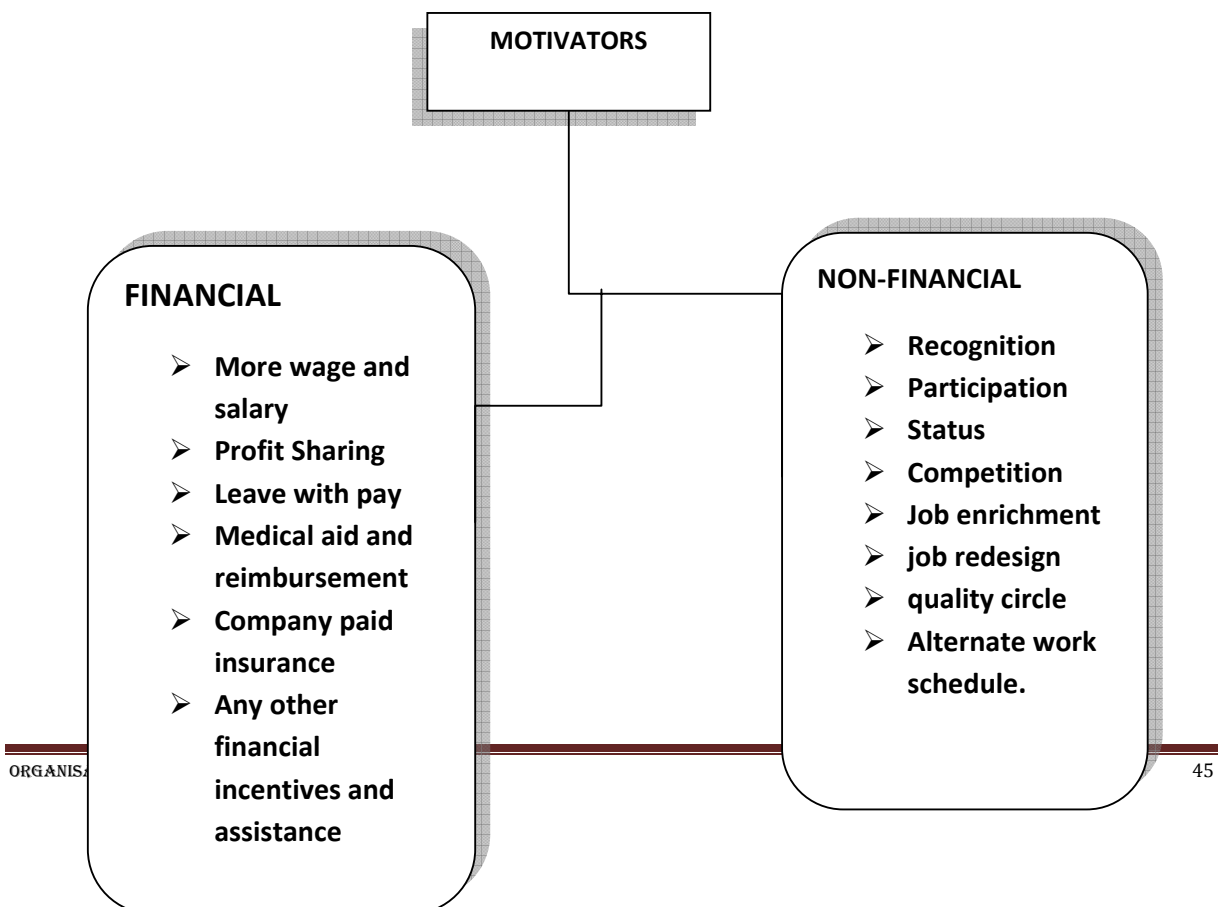
Alternative Work Schedule

Organizations also frequently use the modified 'work-week' as a way to increase employee motivation. A modified 'work-week' can be any work schedule that does not conform to a traditional 8 hours a day or 5 days a week format. The modified 'work-week' helps individual satisfy higher-level needs by providing more personal control over one's work schedule. It also provides an opportunity to fulfill several needs simultaneously.

Job-Redesign

Job-Redesign or changing the nature of people's job is also being used more as a motivational technique. The idea pursued here is that mangers can use any of the alternatives job rotation, job enlargement, job enrichment as part of motivational programme. Expectancy theory helps explain the role of work design in motivation.

Financial and Non- Financial Motivators

Every employer tries that the persons working in his organization should be highly motivated. To achieve the organizational goal, certain techniques to improve the employee's morale are there but these techniques may not be similarly useful in all types of organization. Motivational techniques classified into the following categories:

MOTIVATORS

FINANCIAL

  ➤ **More wage and salary**
  ➤ **Profit Sharing**
  ➤ **Leave with pay**
  ➤ **Medical aid and reimbursement**
  ➤ **Company paid insurance**
  ➤ **Any other financial incentives and assistance**

NON-FINANCIAL

  ➤ **Recognition**
  ➤ **Participation**
  ➤ **Status**
  ➤ **Competition**
  ➤ **Job enrichment**
  ➤ **job redesign**
  ➤ **quality circle**
  ➤ **Alternate work schedule.**

Module 3

GROUP BEHAVIOUR

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.

Definition of a group

A group is a two or more individual who interact regularly with each other to accomplish a common purpose or goal.

According to Marvin Shaw, "a group comprises, of two or more persons who interact with one another in such a manner that each person influences and is influenced by each other person'.

The key parts of this definition are the concepts of interaction and influence, which also limit the size of the group. It is difficult for members to interact sufficiently in a large group.

Groups or work teams are the primary tools used by managers. Managers need groups to co-ordinate individual behavior in order to reach the organizational goals. Groups can make a manager's job easier because by forming a group, he need not explain the task to each and every individual. A manager can easily coordinate with the work of an individual by giving the group a task and allow them to co-ordinate with each other. But for a group to work effectively, the interactions between its members should be productive. Therefore, managers must pay attention to the needs of individuals.

Need and importance for a Group

The reasons for the need, of groups are as follows:

➢ Management of modern organizations makes mutual efforts to introduce industrial democracy at workplace. They use project teams and work committees where workers get due recognition. They willingly participate in decision-making.

➢ The tasks in modern industries are becoming more complex, tedious arid of repetitive nature. Work committees, work groups and teams are formed to monitor the work. They also make the environment at workplace livelier.

➢ Groups help in making participative management more effective.

➢ Groups of all kinds and types help by cooperating in all the matters related to production and human relations to work effectively in the organization.

➢ An individual cannot perform each and every task. Group efforts are required for its completion. For example, building a ship, making of a movie, construction of a fly-over, etc. All these require coordinated and unified efforts of many individuals, working in a group.

➢ A group can judge in a better way as compared to an individual.

Types of Groups

In an organization, there are three types of groups, which are as follows:

• **Functional or formal groups**

Functional groups are the groups formed by the organization to accomplish different organizational purposes. According to A L Stencombe, "a formal group is said to be any social arrangement in which the activities of some persons are planned by others to achieve a common purpose". These groups are permanent in nature. They have to follow rules, regulations and policy of the organization. A formal organizational group includes departments such as the personnel department, the advertising department, the quality control department and the public relations department.

• **Task group**

Tasks groups are the groups formed by an organization to accomplish a narrow range of purposes within a specified time. These groups are temporary in nature. They also develop a solution to a problem or complete its purpose. Informal committees, task forces and work teams are included in task groups. The organization after specifying a group membership, assigns a narrow set of purposes such as developing a new product, evaluating a proposed grievance procedure, etc.

• **Informal group**

Informal groups are the groups formed for the purposes other than the organizational goals. Informal groups form when individuals are drawn together by friendship, by mutual interests or both. These groups are spontaneous. According to Keith David, "the network of persons and social relations which is not established or required forms an informal organization". These are the groups formed by the employees themselves at the workplace while working together. The organization does not take any active interest in their formation.

Informal groups are very effective and powerful. These groups work as an informal communication network forming a part of the grapevine to the organizations. They are also like a powerful force, which an organization cannot avoid. Some managers consider them to be harmful to the interest of an organization. They suspect their integrity and consider as a virtual threat. Some managers do not consider them as threat and seek the help of group members in getting the organizational task accomplished. Informal groups are of following types:

o *Interest group:* Interest groups are the groups formed to attain a common purpose. Employees coming together for payment of bonus, increase in salary, medical benefit and other facilities are the examples of interest groups

o *Membership group:* Membership groups are the groups of individuals' belonging to the same profession and knowing each other. For example, teachers of the same faculty in a university.

o *Friendship group:* Friendship groups are the groups of individuals belonging to same age group, having similar views, tastes and opinions. These groups can also be formed outside the plant or office and can be in the form of clubs and associations.

o *Reference group:* Reference groups are the group where individuals shape their ideas, beliefs, values etc. They want support from the group.

Group formation and development

Groups can form when individuals with similar goals and motives come, together. Groups are formed voluntarily. The individuals of a group can join and leave the group any time and they can also change their tasks. Hence, understanding how groups form and develop is important for managers. There are certain motives because of which, the individuals join a group, which are as follows:
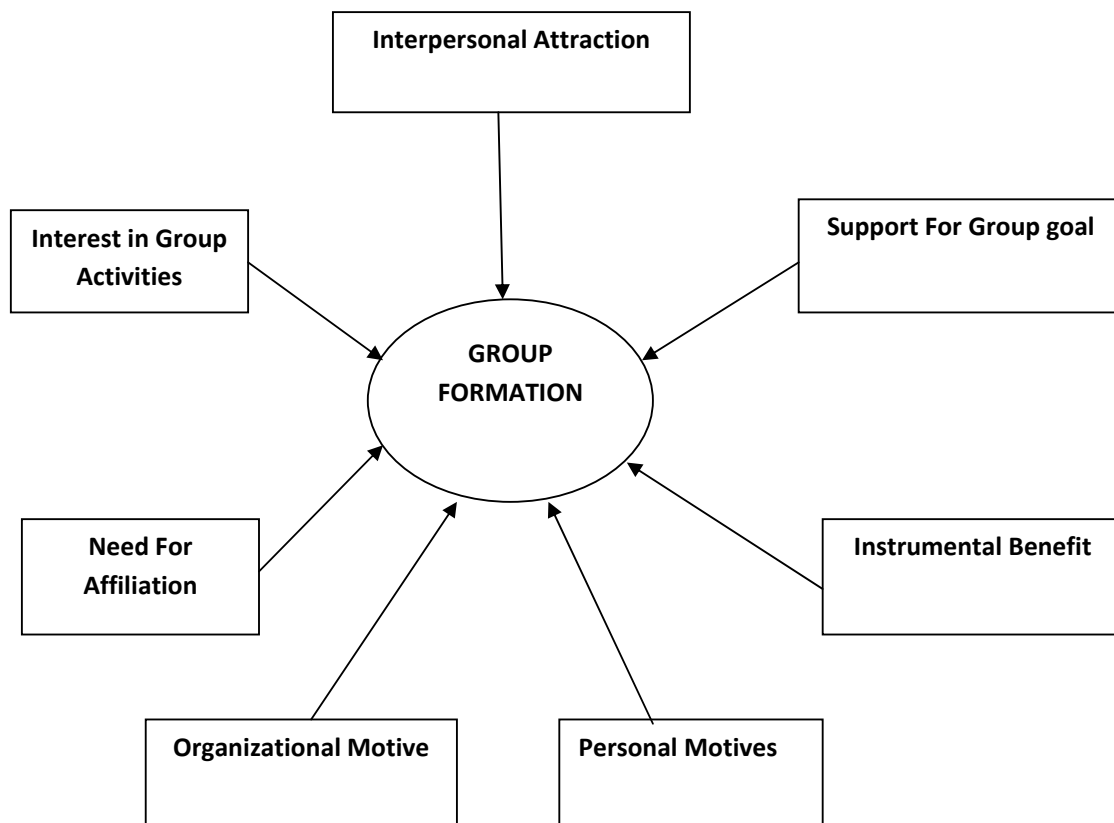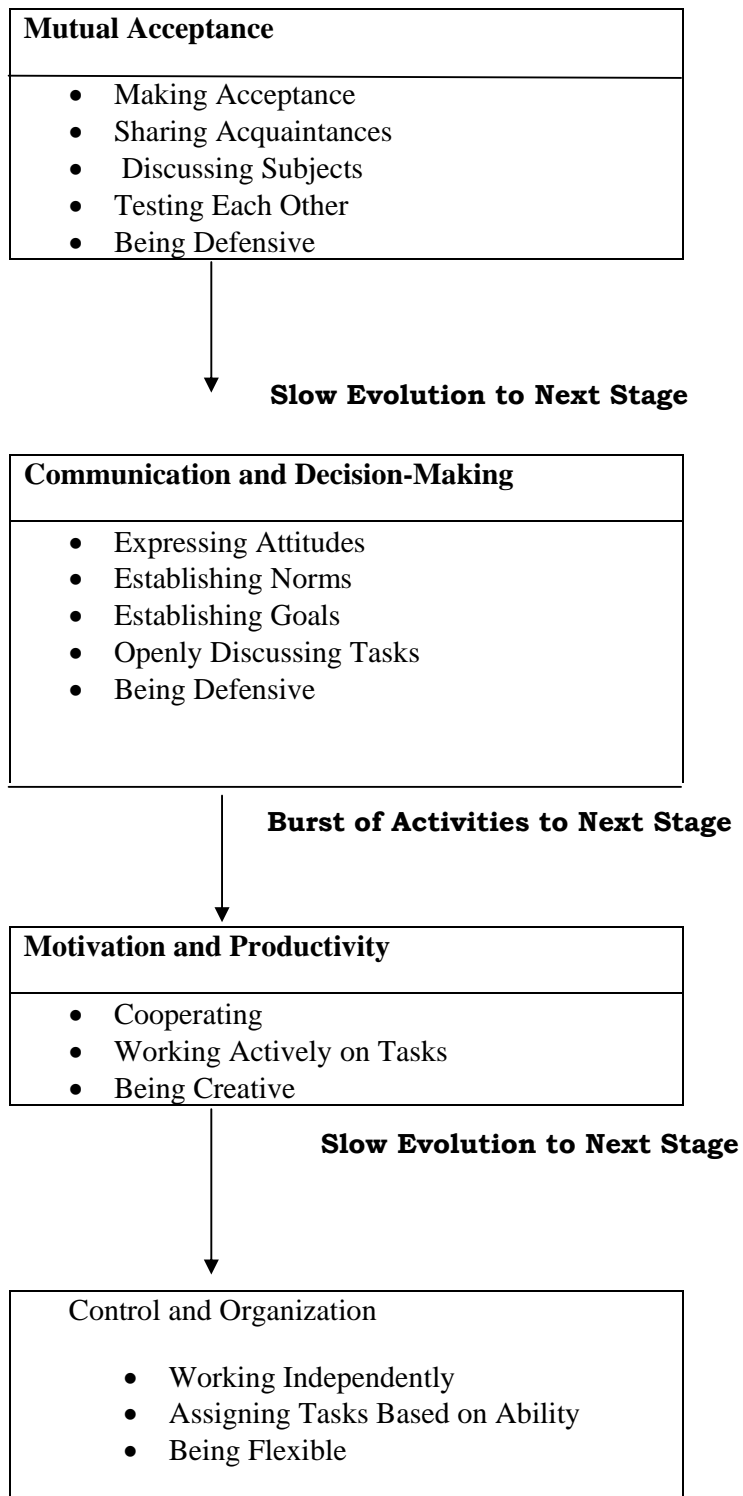
- *Organizational motives to join groups:* Organizations form functional and task groups because such groups help the organization in structuring and grouping the organizational activities logically and efficiently.

- *Personal motives to join groups:* Individuals also choose to join informal or interest groups for unimportant reasons. Since joining these groups is voluntary, various personal motives affect membership.

- *Interpersonal attraction:* Individuals conic together to form informal or interest group, as they arc also attracted to each other. The factors that contribute to interpersonal attraction are sex, similar attitudes, personality and economic standing. The closeness of group members may also be an important factor.

- *Interest in-group activities:* Individuals may also be motivated to join an informal or interest group because the activities of the group appeal to them. Playing tennis, discussing current events or contemporary literature, all these are group activities that individuals enjoy.

- *Support for group goals:* The individuals may also be motivated goals by the other group members to join. For example, a club, which is dedicated to environmental conservation, may motivate individuals to join. Individuals join groups, such as these in order to donate their money and time to attain the goals they believe in and to meet other individuals with similar values.

- *Need for affiliation:* Another reason for individuals to join groups is to satisfy their need for attachment. Retired/old aged individuals join groups to enjoy the companionship of other individuals in similar situation.

- *Instrumental benefits:* Group membership sometimes also helpful in providing other benefits to an individual. For example, a manager might join a Rotary/ Lions club if he feels that being a member of this club will lead to important and useful business contacts.

Stages of development of group

Members of new group are unfamiliar with one another's personalities and: hesitant in their interactions. The new group must pass s of development, which are depicted in the figure following:

Mutual Acceptance

- Making Acceptance
- Sharing Acquaintances
- Discussing Subjects
- Testing Each Other
- Being Defensive

Slow Evolution to Next Stage

Communication and Decision-Making

- Expressing Attitudes
- Establishing Norms
- Establishing Goals
- Openly Discussing Tasks
- Being Defensive

Burst of Activities to Next Stage

Motivation and Productivity

- Cooperating
- Working Actively on Tasks
- Being Creative

Slow Evolution to Next Stage

Control and Organization

- Working Independently
- Assigning Tasks Based on Ability
- Being Flexible

These different stages of group development are explained as follows:

- **Mutual Acceptance**

  The very first stage of a group development is called "Mutual Acceptance". During this stage, the members of the group get familiar with one another and check, which inter-personal behavior is acceptable and which is unacceptable by the other members of the group. This helps all the members of a group to know each other better and helps the group to move to the next stage easily.

- **Communication and Decision-making**

  The second stage of group development is "Communication and Decision-making". During this stage, group members share their opinions and formulate the group's goals. Through communication and decision-making, the structure becomes clear and the group moves to the third stage.

- **Motivation and Productivity**

  The third stage is "Motivation and Productivity", which is characterized by a shared acceptance among members of what the group is trying to do. Each person recognizes and accepts his role as well as to accept and to understand the roles to others. Members also become more comfortable with each other and develop a sense of group identity and unity.

- **Control and Organization**

  The fourth stage is "Control and Organization", in which the members perform the roles they have accepted and direct their group efforts toward goal attainment. In reality, this developmental sequence varies from group to group, depending on the time, personal characteristics of group members and frequency of interaction.

Characteristics of mature groups

As groups pass through the stages of development to maturity, they begin show signs of the following four characteristics: a role structure, behavioral norms, cohesiveness and informal leadership.

- **Role Structures**

  A role is the part that an individual plays in a group to reach its goals. Some individuals are leaders, some focus on the group's task; some interact with other groups and so on. Role structure is the set of defined roles and interrelationships among those roles that the group members define and accept. The failure in role development result in role ambiguity, role conflict and role overload. Managers have to take steps to avoid role ambiguity, role conflict and role overload.

- **Behavioral norms**

  Although informal groups do not have any specific goals to accomplish, but they must have some goals over a period of time. These goals are temporary and can be changed in accordance with the needs of the group members. The goals can be achieved effectively depending on the following factors:

  o The extent of cooperation with management.

  o Maintenance of an efficient communication system.

  o Satisfaction of the needs of group members.

- **Informal leadership**

    Each informal group has one or more leaders. These leaders come forward on   the basis of acceptance of all the group members. Every informal group has one primary leader apart from the secondary leaders. The primary leader has more influence on the group members than the secondary leaders.

- **Cohesiveness**

    Cohesiveness is defined as the attractiveness of group members towards the group. It also emphasizes on the group's ability to satisfy its members needs. It, therefore, helps the group members to work more consistently and make greater contribution to the achievement of the organizational goals. It is also psychologically more satisfying to all of its members.

    According to **Cartwright,** there are four principal consequences of cohesiveness, which are as follows:

    o   Ability of a group to retain its members.
    o   Power of the group to influence its members.
    o   Degree of participation and loyalty of members.
    o   Feeling of security on the part of the members.

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

Types of Group Norms

There are two types of group norms, which are as follows:

- *Behavior norms:* Behavior norms are rules that standardize how individuals act while working on a day-to-day basis. Examples are. "Do not come to committee meetings unless you have read the reports to be '"discussed"', "greet every customer with a smile", etc. These norms tend to reflect motivation, commitment to the organization and therefore result in high level of performance.

- *Performance norms:* Performance norms are rules that standardize employee output and number of hours worked.

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.

Uniqueness of Group Norms

The norms of one group cannot be easily mixed with another group. Some differences are primarily due to the difference in structure of the groups. However, even very similar work groups may develop different norms-. The members of one group may be friendly with their supervisor whereas those of another group may not

Norm Conformity

Norms have the power to force a certain degree of conformity. There are several factors consist of norm conformity, which are as follows:

- Some groups may exert more pressure for conformity than others because of the personalities of the group members.
- The history of the group and its members also plays a part in conformity. For example, if the group has always been successful by following certain behaviors, new group members are also asked to follow the same. If the group was not successful in the past, a new group member may have greater freedom to exhibit other behaviors.

Group Cohesiveness

According to Rcnsis Likert, *"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.

According lo K. Aswalhappa, *"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"*. 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. Its 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.

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.

The following factors can increase group cohesiveness:

- Competitiveness with other groups.

- Inter-personal attraction.

- Favorable evaluation from outsiders.

- Agreement on goals.

- Frequent interaction. The following factors decrease cohesiveness:

- Large group size.

- Disagreement on goals.

- Competitiveness within group.

- Domination by one or more members.

- Unpleasant experiences.

Module 4

LEADERSHIP

Leadership is an integral part of management and plays a vital role in managerial operations. It provides direction, guidance, and confidence to the employees and helps in the attainment of goals in much easier way. In business and industrial organizations, managers play the role of leader and acquire leadership of subordinates, their efforts towards the achievement of organizational goals and activate the individuals of an organization to make them work. Leadership influences behavior of the individuals. It has an ability to attract others and potential to make them follow the instructions. Individuals can be induced to contribute their optimum towards the attainment of organizational goals through effective leadership. Leadership acquires dominance and the followers accept the directives and control of a leader. Leadership provides direction and vision for future to an organization.

Definition

Leadership is the art of influencing and inspiring subordinates to perform their duties willingly, competently and enthusiastically for achievement of group's objectives.

Leadership is a function of the leader, the followers and other situational variables:

$$L=F (l, f, s)$$

According to Terry, *"Leadership is the ability of influencing people to strive willingly for mutual objectives"*

According to Keith Davis, *"Leadership is the process of encouraging and helping others to work enthusiastically towards objectives"*.

Thus, leaders are people who are able to influence the behavior of others without recourse to threats or other forms of force towards the individuals. Leaders are the people who are accepted by the other individuals, as a superior person to them.

Features of leadership

The features of leadership are as follows:

- Leadership is the process of influencing behavior of individuals of an organization.
- Leadership uses non-coercive methods to direct and coordinate the activities of the individuals of an organization.
- Leadership directs the individuals to attain the tasks assigned to them by following the instructions of their leaders.
- A leader possesses qualities to influence others.
- Leadership gives the individuals, a vision for future.
- Leadership is a group activity. Leader influences his followers and followers also exercise influence over his leader.

Importance of Leadership

The following points can analyze the need and importance of leadership:
- A leader should act as a friend of the people whom he is leading.
- A leader must have the capacity to recognize the potentials of the individuals and transform them into realities.
- A leader should have the confidence of the individuals of the organization.
- A leader must be able to unite the people as a team and build up team spirit.

- A leader should be able to maintain discipline among his group and develop a sense of responsibility.
- A leader must be able to build up a high morale among the individuals of the organization.
- A leader should motivate his people to achieve goals.
- A leader should try to raise the morale of the individuals and should maintain ethical standards among the individuals.
- A leader should act as a link between the work groups and the forces outside the organization.

Difference between Leadership and Management

Leading and managing go together but some differences exist between the two. The following are the differences between the leadership and the management:

- Management takes rational and logical decisions while leadership takes decision on expectations of the followers. Leadership has an emotional appeal while management acts on rationality.
- The management establishes relationship through a lawful authority while leadership establishes relationship through power.
- Managers have formal authority but the leaders have no such authority.
- All leaders are not managers and all managers are leaders.
- Management is a process of planning, organizing, directing and controlling the activities of others to attain the organizational objectives. Leadership on the other hand, is a process of influencing the behavior of the people to attain their assigned tasks. A successful manager must possess both the managerial and leadership qualities.

TYPES OF LEADERSHIP

Following are the main types of leadership:

Autocratic or Authoritarian

In this type of leadership, there is a complete centralization of authority in the leader, i.e., authority is centered in the leader himself. He has all the powers to make decisions. He uses coercive measures and adopts, negative method of motivation. He wants immediate obedience of his orders and instructions. Any negligence on the part of subordinates results in punishment. There is no participation from the subordinates in decision-making. A leader thinks that he is the only competent person in the organization. According to Edwin B. Filippo, there are following three types of leaders in autocratic:

1. *Hard Boiled or Strict Autocrat:* Leader, under such type uses negative influence and expects that the employees should obey his orders immediately. Non-compliance of his orders results in punishment. He makes all decisions and does not disclose anything to anyone. He is quite rigid on performance.

2. *Benevolent Autocrat:* Benevolent autocrat leader uses positive influences and develops effective human relations. He is known as paternalistic leader. He praises his employees if they follow his orders and invites them to get the solutions of the problems from him. He feels happy in controlling all the actions of his subordinates.

3. *Manipulative Autocrat:* Leader, under such type is manipulative in nature. He creates a feeling in the minds of his subordinates and workers that they are participating in decision-making processes. But he makes all decisions by himself. Non-compliance of his orders also results jn punishment.

Democratic or Participative

Democratic or Participative leadership is also known as group centered or consultative leadership. In this type of leadership, leaders consult their groups and consider their opinion in the decision-making process. Leaders encourage discussion among the group members on the problem under consideration and arrive at a decision depending on their consent. Participation or involvement of the employees in the decision-making process is also rewarded. Exchange of ideas among subordinates and with the leader is given encouragement. Leaders give more freedom to their group members, who feel that, their opinions arc honored and they are given importance. It develops a sense of confidence among subordinates and they derive job satisfaction. It improves quality of decision as it is taken after due consideration of valued opinions of the talented group members.

The demerit of this type of leadership is that it takes more time to arrive at a decision, as a lot of time is wasted while taking the views from the employee. It is, therefore, very time consuming.

Laissez-faire or Free Rein

In this type of leadership, there is virtual absence of direct leadership. It is, therefore, known as "no leadership at all". There is complete delegation of authority to subordinates so that they can make decisions by themselves. Absence of leadership may have both positive and negative effects. Free rein leadership may be effective if members of the group are highly committed to their work. The negative aspect shows that the leader is not competent enough to lead his group effectively. Members may feel insecure and develop frustration for lack of decision-making authority.

Bureaucratic

This type of leadership emphasizes the rules and regulations of an organization. The behavior of a leader is determined by the rules, regulations and procedure to be followed under his leadership. The leader and the subordinates both follow these rules and regulations. Therefore, there is no difference between the management and the administration in this type of leadership. The employees, themselves cannot do anything in this regard. It is the rules that determine their performance.

Manipulative

This type of leadership manipulates the employees to attain their assigned tasks. A manipulative leader is quite selfish and exploits the aspirations of the employees for his gains. He knows very well the needs and desires of the employees but he does very little to fulfill them. Due to such attitude, he has to face the hatred of the employees at times.

Paternalistic

The paternalistic leadership believes in the concept that the happy employees work better and harder. It maintains that the fatherly altitude is the right one for better relationship between the manager and the employees. Everyone within the organization should work together like a family.

Expert Leadership

The expert leadership emerged as a result of complex structure of modern organizations. This type of leadership is based on the ability, knowledge and competence of the leaders. He handles the situation skillfully with his talent. The employees feel relieved as they are working under a person who is expert and can handle the situation without any problem.

In modern organizations, human resources vary in terms of skill, knowledge and competences. They differ in quality, determination and their attitude towards the organization. They

exhibit different behaviors as they differ in attitude and outlook also. The leader must understand their behavior and accordingly can make use of the various types LEADERSHIPS.

Leadership Skills

There is now recognition in both leadership theory and practice of the importance of skills, how leaders should behave and perform effectively. Although there are many skills, such as cultural flexibility, communication, HRD, creativity, and self-management of learning, the research-based skills identified by **Whetten** and Cameron seem to be most valuable. Their personal skills model, involving developing self-awareness, managing stress and solving problems creatively; the interpersonal skills model, involving communicating supportively, gaining power and influence, motivating others and managing conflict, are especially comprehensive and useful. Finally, the widely recognized organizational behavior .techniques such as, training, job design and leaders can also effectively use behavioral management.

Qualities of successful leader-

Qualities required for a successful leader are:

1. Intelligence
2. Maturity
3. Sound physic
4. Self confidence
5. Objectivity
6. Empathy
7. Foresightedness and Vision
8. Decisiveness
9. Human relation Approach.
10. Responsibility

Theories of leadership

Leadership is the process of influencing others towards the accomplishment of goals. Recent efforts by behaviorists have shown a trend towards integrating the numerous theories of leadership. A number of theories and approaches to study leadership have been developed. There are broadly three theories of leadership.

- Trait Theory
- Behavior Theory
- Contingency Theory

(a)   Trait Theory

This theory of studying leadership is taken into consideration to analyze the personal, psychological and physical traits of strong leaders. The assumption made in this theory was that some basic traits or set of traits differentiates leaders from non-leaders. For example, the leadership traits might include intelligence, assertiveness, above average height, self-confidence, initiative and understanding of interpersonal human relations. The existence of these traits determines the importance of leadership. Possession of these traits helps the individuals to gain possession of

leadership. Since all individuals do not have these qualities, only those who have them would be considered potential leaders.

Some of the weakness of this theory is:

- All the traits are not identical with regard to essential characteristics of a leader.

- Some traits may not be inherited, but can only be acquired by training.

- It does not identify the traits that are most important and that are least important for a successful leader.

- It does not explain the leadership failures, in spite of the required traits.

- It has been found that many traits exhibited by leaders are also found among followers without explaining as to why followers could not become leaders.

- It is difficult to define traits in absolute terms.

- Thus, the trait theory has been criticized for lack of conclusiveness and predictability.

(b)   Behavior Theory

The behavioral theory assumed that effective leaders behaved differently from ineffective leaders. It also identified the need of consistency of behavior of good leaders. This theory can be more clearly understood with the help of following case studies.

- *The Michigan Studies:* Researchers at the University of. Michigan, led by Rensis Likert, began studying leadership in the late 1940s. Depending on broad discussions with both the managers and sub-ordinates, the Michigan studies identified two forms of leadership behavior. They are discussed as below:
    - *Job-centered leadership behavior :*   The first was called job-centered leadership behavior, which focuses on performances and efficient completion of the assigned tasks. A job-centered leader interacts with group members to explain task procedures and oversee their work.

    - *Employee centered leadership behavior:* The second behavior was identified as employee centered leader behavior, which focuses on, high performance standards to be accomplished. This can be done by developing a cohesive work group and ensuring that employees are satisfied with their jobs. Thus, the leader's primary concern is the welfare of the ordinates. The Michigan researchers thought a leader could show signs of one kind of behavior, but not both.

- *The Ohio State Studies:* At about the same time, a group of researchers at Ohio State also began studying leadership. The Ohio State leadership studies also identified two major kinds of leadership behaviors or styles, which are as follows:
    - *Initiating-structure behavior:* In initiating-structure behavior, the leader clearly defines the leader-subordinate roles so that everyone knows what is expected. The leader also establishes formal lines of communication and determines how tasks will be performed.
    - *Consideration behavior:* In consideration behavior, the leader shows concern for subordinates feelings' and ideas. He attempts to establish a warm, friendly and supportive.

The most obvious difference between Michigan and Ohio State studies is that the Ohio State researchers did not position their two forms of leader behavior at opposite ends of a single continuum. Rather, they assumed the behaviors to be independent variables, which means that a leader could exhibit varying degrees of initiating structure and consideration at the same time i.e. a particular leader could have higher ratings on both measures, low ratings on both or high ratings on one and low on the other.

The Ohio State researchers found that a leader's behavior remains consistent over a period of time, if the situation also remains same. But the researchers could not come up with one best combination of behavior suitable to all the situations. The researchers used to believe that the leaders in possession of both types of behavior are most effective. However, their studies at International Harvester found that leaders rated highly on initiating structure behavior have higher performing but dissatisfied sub-ordinates, whereas leaders rated highly on consideration structure had lower-performing sub-ordinates who showed signs of higher satisfaction.

Most experts now agree that no single set of traits or behaviors appears to be common to all good leaders. The universal approaches to leadership can help managers examine their own leadership characteristics and match them against the traits most commonly identified with good leaders. In order to understand the full complexity of leadership, contingency theory is to be studied.

(c) Contingency Theory

The main assumption of contingency theory is that the behavior of an appropriate leader varies from one situation to another. The motive of a contingency theory is to identify key situational factors and to specify how they interact to determine appropriate behavior of a leader

The three most important and widely accepted contingency theories of leadership are as follows:

- ***The LPC theory:*** The first contingency theory of leadership is Fred Fielder's Least Preferred Co-worker (LPC) Model. Fielder identified two types of leadership: task-oriented and relationship-oriented. Fielder believes that a leader's tendency to be task-oriented or relationship oriented remains constant. In- other words, a leader is either task-oriented or relationship-oriented while leading his group members. Fielder used the Least Preferred Co-worker (LPC) scale to measure the type of leadership. A leader is asked to describe characteristics of the person with whom he or she is least comfortable while working. They can do this by marking in a set of sixteen scales at each end, by a positive or negative adjective. For example, three of the scales Fielder uses in the LPC are:

    Helpful   --------------------   Frustrating 8 7 6 5 4 3 2 1

    Tense   -------------------   Relaxed   1 2 3 4 5 6 7 8

    Boring   -------------------   Interesting 1 2 3 4 5 6 7 8

The leader's LPC score is then calculated by adding up the numbers below the line checked on each scale. A high total score is assumed to reflect a relationship orientation and a low score, a task orientation by the leader. The LPC measure is controversial because researchers disagree about its validity. This is because some of the LPC measures show whether the score is an index of behavior, personality or some other unknown factor.

According to Fielder, the contingency factor favours the situation from the leader's point of view. This factor is determined by leader-member relations, task-structure and position-power, which are discussed as below:

- *Leader-member relations: A* Leader-member relation refers to the nature of relationship between the leader and his work group. If the leader and the group enjoy mutual trust, respect, confidence and they like one another, relations will remain good. If there is little trust, respect or confidence and. if they do not like one another, relations will remain bad. Good relations are assumed to be favourable and bad relations unfavorable.

- *Task-structure:* Task-structure is the degree to which the group's task is clearly defined. When the task is routine, easily understood, and unambiguous and when the group has standard procedures, the structure is assumed to be high. When the task is non-routine, ambiguous, complex, with no standard procedures and precedents, structure is assumed to be low. High structure is more favourable for the leader and low structure is unfavorable. If the task structure is low, the leader will have to play a major role in guiding and directing the group's activities. If the task structure is high, the leader will not have to pay much attention.

- *Position-power:* Position-power is the power vested in the position of a leader in an organization. If the leader has the power to assign work, administer rewards and punishment, recommend employees for promotion or demotion, position-power is assumed lo be strong. If the leader does not have required powers, the position-power is weak. From the leader's point of view, strong position power is favourable and weak position power is unfavorable.

Fielder and his associates conducted various studies highlighting if a situation favors the leadership and group effectiveness or not.

When the situation includes good relations, high structure and strong power, a risk-oriented leader to lie most effective. However, when relations are good but task structure is low and position-power is weak, LI relationship-oriented leader is considered to be most effective.

- A final point about LPC theory is that, Fielder argues that any particular-type of leadership, which is measured by the LPC is inflexible and cannot be changed. In other words a leader cannot change his behavior to fit a particular situation. Fielder's contingency theory has been criticized on the ground that LPC measure lacks validity and that the assumption about the inflexibility of the leader's behavior is unrealistic.

(d) The Path-Goal theory

The path-goal model of leadership was introduced by Martin Evans and Robert House. Path-goal theory says that a leader can motivate subordinates by influencing their expectations. Leaders can motivate sub-ordinates by making clear what they have to do to get the reward they desire. The path-goal model assumes that leaders can change their style or behavior to meet the demands of a particular situation. This model identifies four kinds of leader behavior: directive, supportive, participative and achievement-oriented. According to this model managers can adjust their behavior to include any four kinds of leadership behavior mentioned above. For instance, while leading a new group of sub-ordinates, the leader may be directive in giving guidance and instructions to them. He may also adopt supportive behavior to encourage group cohesiveness, to look after their needs and ensuring that they get the rewards and benefits. As the group becomes more familiar with the task and as new problems are taken into consideration, the leader may use participative behavior by which he can participate with employees in making decisions and take their suggestions as well. Finally, the leader may use achievement-oriented behavior to encourage continued high performance of sub-ordinates.

Environmental characteristics are factors, which are beyond the control of subordinates. It includes task structure, the primary work group and the formal authority system. For instance, when structure is high, directive leadership is less effective than when structure is low. Sub-ordinates do not usually need their boss to repeatedly tell them how to do a routine job. According to the path-goal theory, these environmental factors can create uncertainty for employees. A leader who helps employees reduce such uncertainty can motivate them. The following figure shows the path goal model of leadership.
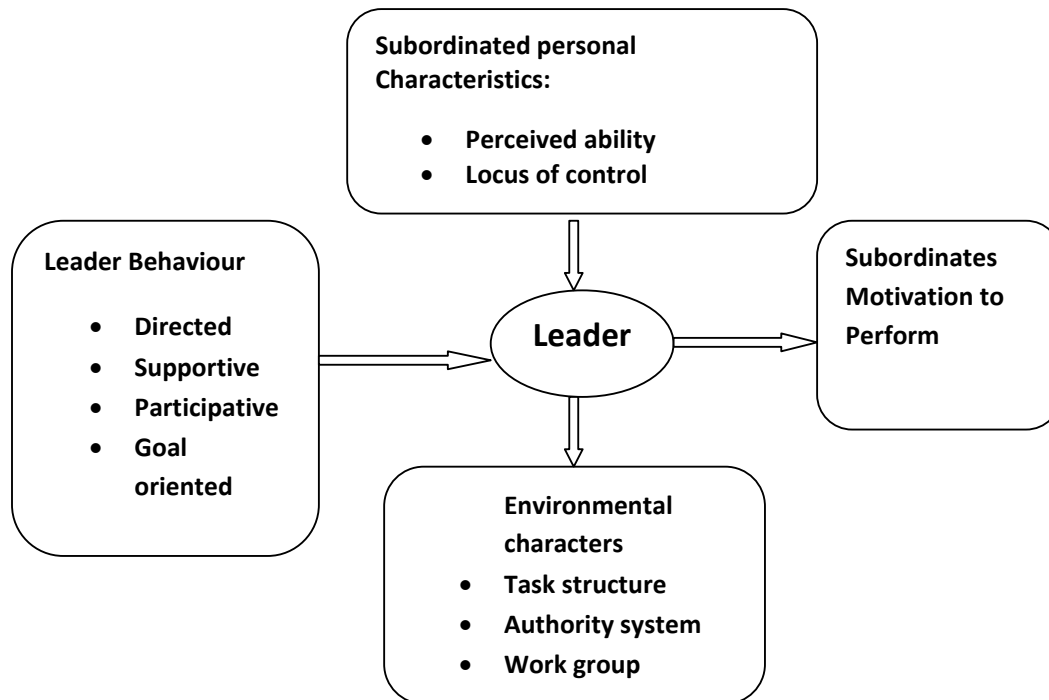
(e)   The Vroom-Yetton-Jago Theory (VYJ)

The Vroom-Yetton-Jago model was first introduced by Vroom and Yetton in 1973 and was revised by Vroom and Jago in 1988, this model has a much less focus than the path-goal theory. It helps a leader to determine the extent, to which employees should participate in the decision-making processes,

The VYJ theory argues that decision-effectiveness is best judged by the quality of decision and by the acceptance of that decision on the part of employees. Decision acceptance is the extents to which employees accept and are loyal to their decisions. To maximize decision effectiveness; the VYJ theory suggests that leaders adopt one of five decision-making leaderships. The appropriate leadership depends on the situation. As summarized in the following table, there are two autocratic types of leadership, which are AI and AII, two consultative types of leadership, which are CI and CII and the other one is group GII.

Decision-Making Styles in the VYJ model

Decision Style	Description
AI	Manager makes the decision alone.
AII	Manager asks for information from subordinates but makes (he decision alone. Sub- ordinates may or may mil be informed about what the situation is.
CI	Manager shares the situation with individual subordinates and asks for information and evaluation. Subordinates do not meet as a group and the manager alone makes the decision.
C II	Manager and subordinates meet as a group to discuss the situation but the manager makes the decision.
G II	Manager and subordinates meet as a group to discuss the situation and the group makes the decision.

A = Autocratic; C= Consultative; G = Group

The situation is defined by a series of questions about the characteristics or attributes of the problem under consideration. To address the questions, the leader uses one of the four decisions. Two of them are used when the problem affects the entire group. For example, a decision about the facilities to be given to employees in a new office affects the entire group and the other two are appropriate when the decision affects a single individual only. e.g. a new office for that individual only.

Moreover, one of each is to be used when the decision has to be made quickly because of some urgency and the others arc to be used when the decision can be made more slowly and the leaders wants to use the opportunity to develop subordinates' decision-making abilities.

The VYJ model was criticized because of its complexity. Computer software has been developed to aid leaders in defining the situation, answering the questions about the problem attributes and developing a strategy for decision-making participation.

Although the VYJ model is too new to have been thoroughly tested, evidence so far indicates that this model can help leaders to choose the most effective way to include the sub-ordinates in decision-making.

Other contingency approaches

In addition to these three major theories, there are other contingency models or theories developed in recent years. The other models are as follows:

- *Vertical Dyad Linkage Model:* This model stresses the .fact that leaders actually have different kinds of working relationship with different subordinates. Each manager-subordinate relationship represents one vertical dyad. The Vertical Dyad Linkage model suggests that leaders establish special working relationships with some subordinates based on some combination of respect, trust and liking. These people constitute the 'in-group'. Other subordinates remain in the 'out-group's, who receive less of leader's time and

attention. Those in the 'in-group' receive more of the manager's time and attention and are better performers. Research shows that people in the 'in-group' are more productive and more satisfied with their work than 'out group' members.

- *Life Cycle Model:* The life cycle model suggests-that appropriate leader behavior depends on the maturity of the followers. In this context, maturity includes motivation, competence and experience. The model suggests that as followers become more mature, the leader needs to move gradually from high to low task orientation. Simultaneously, the leader's employee-oriented behavior should start low, increase at a moderate rate and then decline again. Many leaders are familiar with the life cycle theory because it is both simple and logical. However, it has received little scientific support from researchers.

Emerging perspectives on leadership in organizations

The new perspectives that have attracted attention are the concepts of substitutes for leadership and transformational leadership.

Substitutes for Leadership

The existing leadership theories and models try to specify what kind of leader's behavior is appropriate for different situations. They do not take into consideration, the situations where the leadership is not needed. The substitute concept identifies the situations where the characteristics of the subordinates, the task and the organization replace leaders' behaviors. For example, when a patient is admitted to an emergency room in a hospital, nurses, doctors and attendants act immediately without waiting for directive or supportive behaviors of leaders in an emergency ward.

Several characteristics of the sub-ordinate may serve to replace or change .the behavior of the leaders. For example, employees with much ability and experience may not need to be told what to do. Similarly, a strong need for independence by the sub-ordinate may result in ineffectiveness of leaders' behavior.

Characteristics of the task that may substitute the leadership include, the availability of feedback and intrinsic satisfaction. For example, when the job is routine and simple, the subordinate may not need direction. When the task is challenging, the subordinate may not need or want support.

Organizational characteristics that may substitute for leadership include formalization group cohesion, inflexibility and a rigid reward structure. For example, when policies are formal and rigid, leadership may not be needed.

Transformational Leadership

Another new concept of leadership goes by a number of labels: charismatic leadership, inspirational leadership, symbolic leadership and transformational leadership. This is a leadership that transmits a sense of mission, increases teaming experiences and inspires new ways of thinking.

Charisma is a form of interpersonal attraction. Charismatic people attract followers and this type of leader has great power over his or her followers. Charismatic leaders are self-confident and can influence others. The followers of a charismatic leader identify with the leader's beliefs, accept, trust and obey the leader without questioning him and thereby contribute toward the success of the organizational goals.

Module 5

STRESS MANAGEMENT

Stress is the general term applied to the pressures people feel in life. The presence of stress at 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 is defined as "*the reactions of individuals to new or threatening factors in their work environments"*.

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.

Sources of stress

Stress is a reality of our everyday life. There are both positive and negative stresses that come from our work and non-work lives. As pointed out by Near. Rice, and Hunt (1980) and Sckaran (1986), among others, the work and non-work domains of one's life are closely interrelated. The stresses and strains experienced in one domain are carried over to the other. Thus, if one experiences stress at work, that stress will be carried over to the home.

One major source of job stress is the job itself. The way the job is designed, the amount of time pressure an individual faces and the amount of expectations others have of a person at work can all lead to job stress. Interpersonal relationships are a second source of job stress. How much contact an individual has with coworkers and managers, how much time he or she deals with clients or consumers, and how pleasant those interactions are all influences of how much stress an individual experiences at work. Third source is problems in personal lives, which can spill over into the work environment, adding further tension to an already stressful work situation.

Sources of job stress

- **Job Characteristics**
  - o Role ambiguity
  - o Role conflict
  - o Role overload
  - o Ethical dilemmas

- **Interpersonal Relationships**

  - o   Amount of contact with others
  - o   Dealing with people in other departments
  - o   Organizational climate

- **Organizational Factors**

  - o   Task demand
  - o   Role demand
  - o   Satisfaction
  - o   Organisation structure
  - o   Organisation leadership
  - o   Organisation life stage

- **Personal Factors**

  - o   Career concerns
  - o   Geographical mobility
  - o   Rate of life change

Job Characteristics

A major source of job 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.

- *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 arc 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.

Interpersonal Relationships

Another major source of stress in organization is poor interpersonal relationships with supervisors, subordinates, coworkers. or clients. When interpersonal relationships at work are unpleasant, employees develop a generalized anxiety, a diffuse feeling of dread about upcoming meetings and interactions. Three aspects of interpersonal relationships at work, which have a negative impact on job stress, are as follows:

- *Amount of contact with others:* Jobs vary in terms of how much interpersonal contact is built into them. Too much prolonged contact with other people can cause stress.

- *Amount of contact with people in other departments:* Having contacts with people outside one's own department creates a special sort of stress. People in other departments do not always have an adequate understanding of jobs outside their own areas, which can cause stress.

- *Organizational climate:* The overall psychological climate of the organization can create stress. When day-to-day life in an organization is marked by unfriendly, distant, or hostile exchanges, employees are continually tense and this causes stress.

Organizational Factors

Following are the organizational factors that cause stress in individuals:

- Work environment factors such as noise, heal, poor lighting, radiation and smoke are stress-inducing agents.
- Insufficient resources such as time, budget, raw materials, space or manpower also induce stress in the work environment. When one has to produce and perform with inadequate resources on a long-term basis, this naturally imposes stresses and strains on the individuals who are responsible for getting the job done.
- Structural factors in the organizational setting such as staff rules and' regulations and reward systems, may cause stress.
- Lack of career promotion in organizations may be sometime cause stress.
- Environmental factors of stress include sudden and unanticipated changes in the marketplace, technology, the financial market and so on.

Personal Factors

Employees' personal lives have a marked effect on their lives at work. If things are going well personally, they are more likely to be upbeat and optimistic. They have more energy and patience for dealing with problems at work. On the other hand, if employees are having some personal problems, they might be more tense or distracted when they go to work.

Factors that influence how much stress people bring from their persona! Lives to the work setting are as follows:

- *Career Concerns:* One major career concern that can cause stress is lack of job security. A second career concern that can cause employees stress is status incongruity, i.e., having jobs with less status, power and prestige than they think they deserve.

- *Geographical Mobility:* Geographical moves create stress because they disrupt the routines of daily life. When geographical moves arc undertaken as part of a job transfer, the moves can be even more stressful. The transferred employees are likely to feel out of control at work, too, and experience their new work environments as unpredictable.

Effects or consequences of job stress

Negative stress has unpleasant consequences for them, their families and for the organizations they serve.

Effects on the Individual

The impacts of distress on individuals are of following types:

- The subjective or intrapersonal effects of stress are feelings of anxiety, boredom, apathy, nervousness, depression, fatigue, and anger. Sometimes experiencing the stress may cause aggressive behaviors on the part of the individual.
- The cognitive effects include poor concentration, short attention span, mental blocks and inability to make decisions.
- The physiological effects can be seen in increased heart and pulse rate, high blood pressure, dryness of throat, and excessive sweating.
- The behavioral effects arc manifest in such things as accident proneness, drinking, excessive eating, smoking, impulsive behaviors, depression, and withdrawal behaviors.
- The manifest health effects could be stomach disorders, asthma, eczema, and other psychosomatic disorders. In addition, the mental health, i.e. the ability lo function effectively in one's daily life, will also decline as excessive stress is experienced.

Consequences for the Family

Negative stress, which is handled by individuals in dysfunctional ways, such as drinking or withdrawal behaviors, will have an adverse effect on their home life. Spouse abuse, child abuse, alienation from family members, and even divorce could result from dysfunctional coping mechanisms.

Consequences to Organizations

The adverse consequences on an organization include low performance and productivity, high rates of absenteeism and poor decision-making. It also leads to lost of customers because of poor worker attitudes, increased alienation of the worker from the job, and even destructive and aggressive behaviors resulting in strikes and sabotage. The stresses experienced by employees who take on critical roles and are responsible for safety can sometimes be detrimental to the public. For instance, the stresses experienced by a train driver or railway guard, or that of an airline pilot, navigator, or air traffic controller may result in serious accidents. Needless to say that the costs of employee stress to the organization in terms of lost profits, poor image and loss of future business are enormous.

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 identify the major sources of stress in their own lives, and some strategies for dealing with that stress more effectively.

ORGANISATIONAL CONFLICT

Conflict arises from difference of opinion between the group members while attaining the organizational goals. An organization is an interlocking network of groups, departments, sections or work teams. In organizations everywhere, conflict among groups of different interests is unavoidable. According to one survey, managers spend an estimated 20 percent of their time dealing with group conflicts. The success of an organization depends upon the harmonious relations among all independent groups. Managers may either directly resolve the conflicts or they may act as mediators between two or more employees. In either case, knowledge and understanding of conflict and the methods of resolving it are important.

Inter-group conflicts result from the ways in which organizations co-ordinate the work of different groups and distribute rewards among those groups.

Types of conflict

The levels of group conflict are as follows:

- *Personal   conflict:* Are   the   conflicts   that   arise   among   employees, individuals because of their competitive roles.

- *Group conflict: Are* the conflicts arising within two or more groups due to difference in their attitudes and behavior.

- *Infra-organizational conflict:* Are the conflict arising between levels of an organization, which are of two types. Vertical conflict arises   between higher and lower level of management. Horizontal conflict arises among the employees at same level.

Reasons for conflict

There are many reasons for conflicts among groups and its members. Some of them are related to limited resources, communication problems, differences in interests and goals, different perceptions, attitudes and lack of clarity about responsibilities. The reasons for group conflicts are as follows:

- *Communication problems:* Groups often become very involved with their own areas of responsibility. They tend to develop their own unique vocabulary. Paying attention to an area of responsibility is a worthy Endeavour, but it can result in communication problems. The receiver of information should be considered when a group communicates an idea, a proposal, or a decision. Misinformed receivers often become irritated and then hostile.

- *Incompatible goals:* Inter-group conflict arises because of goal incompatibility. In other words, goal attainment by one group may reduce the level of goal attainment by other groups. This may be due to horizontal differentiation and task specialization. The conflict between production and marketing departments, line and staff departments, union and management are few examples of inter-group conflicts that arise because of incompatibility of goals.

- *Task interdependence:* Task interdependence means to what extent a work, group relies on other organizational groups to complete its tasks. In simple words, it refers to the dependence of one group on another for resources or information. It can be said in general that as interdependence increases, the potential for conflict increases.

According to J. Thompson, there are three types of interdependence among groups, which are as follows:

- o *Pooled interdependence:* It arises when groups have little interaction with each other but are affected by each other's activities. For example, a branch in Delhi does not need to interact with a branch in Chennai. The only linkage between the two is that they share financial resources from a common pool and the success of each branch contributes to the success of the organization.

- o *Sequential task interdependence:* It arises when one group is unable to commence its work until the work of other group gets completed. In sequential task interdependence, the output of one group becomes the input of another group. In such situations, the potential for conflict is greater. Life and staff groups often have conflicts resulting from this type of interdependence.

- o *Reciprocal interdependence:* It arises between the groups, which depend on each other for their respective task such as production department and quality department. The production department provides the goods to the marketing department to sell and the marketing department prepares the orders and estimates on the basis of the volume produced by the production department. Inter-group conflict arises from reciprocal task interdependence over difference in performance expectations. Each group is dissatisfied will the quality or quantity of work received; from the other group.

- o *Task ambiguity:* The lack of clarity over job responsibilities is called task ambiguity and it frequently leads to aggression between groups. Inter-group conflict also arises when it is not clear which group is responsible for certain activities. Task ambiguity often arises where the organization is growing quickly or the organization's environment is changing rapidly. A good example of task ambiguity is inter-group conflict arising in the recruitment of new employees. It may be the responsibility of either the personnel department or any of the functional departments such as marketing, finance. The confusion may also arise regarding who has the final authority to execute the final decisions.

- o *Resource sharing:* The relation between two groups can be affected by the degree to which they make use of a common pool of resources and the degree to which this common pool of resources is adequate to meet the demands of both the groups. Thus, conflict of this nature; arises because of the differences between aggregate demand of a group and available resources to meet them. Each party of the conflict competes with each other to get a larger share. The conflict between management and the labor union-is the best example. Such conflicts take place in the quantum of wages, amenities, working conditions and other related matters.

- o *Difference in work orientation:* The ways in which employees do their work and deal with others vary widely with the functional areas of an organization. First, functional groups differ in their time perspectives. For example, R&D scientists have a longer-range of goals than manufacturing groups. The range of work of manufacturing group is evaluated on how quickly it can manufacture high-quality products while the range of R&D scientists can be evaluated on the basis of product

development and testing after a long period of time. Second, the goals of different functional groups vary to a large extent. The goals of manufacturing groups are more specific and clear-cut than the goals of R&D groups.

o *Conflicting reward systems:* Sometimes the ways in which reward systems in organizations arc designed create a situation in which one group can only. Accomplish its goal at the expense of other groups. For example, staff departments may be rewarded for cutting costs and personnel while line departments are rewarded for increasing the amount of products sold or services provided. To increase the amount of products sold, the line group may have to depend even more heavily on staff groups such as advertising. However the staff groups are being rewarded for cutting costs and personnel provided the types of services asked for by line groups can prevent them from meeting their own goals. Conflicting reward systems inevitably result in poor inter-group relations.

o *Different perceptions and attitudes:* The attitudes, values and perceptions of members of various groups towards each other can be a cause and a consequence of the nature of their relationship. If the group relations begin with the attitudes of distrust, competitiveness, secrecy and closed communications, there is a possibility of conflicts, disagreements in their views and among themselves. This can affect the success of a group to accomplish their work in an effective manner.

Group strategies to gain power

There are several strategies that various groups use to gain power in an inter-group conflict situation. Some of these strategies allow co-operation and sharing between groups while other strategies are more competitive and increase the power of one group at the expense of others.

- *Contracting:* It refers to the negotiation or an agreement between two groups.

- *Co-opting:* It occurs when a group gives some of its leadership positions to members of other groups or includes them in its policy-making committees.

- *Forming association:* In forming an association, two or more groups cooperate or combine their resources in order to increase their power over other groups.

- *Influencing decision criteria:* Groups can also sometimes exert power lo change criteria for decision-making that are selected as the basic for resource distribution.

- *Controlling Information:* Gaining access to sensitive information and then limiting other group's access lo it increases the power of" the information-' rich group and other subunits.

- *Pressure tactics:* These are applied to force other to use the most competitive strategy a group can use to gain power. For instance, a union might threaten to strike to pressurize management.

Conflict Resolution

Methods to Solve Inter-group Conflict Indirectly

The various methods to solve inter-group conflicts indirectly are as follows:

- *Avoidance:* It is an indirect method often used by the managers. It includes avoidance of direct approaches on the part of managers to solve among groups.

- *Encouragement:* This is another indirect method to solve the group conflicts. It includes encouragement on the part of managers to the groups so that they will be able to meet and discuss their differences.

- *Bargaining:* This is the indirect method, in which the groups agree as to what each of them will get and give others regarding their work. This makes the accomplishment of the assigned task much easier. For example, one group may agree to give the other, a quick turnaround time on the repairs of needed equipment only if the Second group agrees to bring complaints about the quality of repairs to it before going to management.

- *Persuasion:* This is the indirect method, in which the groups find the areas of common interests among themselves. The groups try to find out those interests levels where they have the same say. Afterwards', the groups try to show how important it is to each of them in attaining organizational goals.

Methods to Solve Inter-Group Conflict

The various methods to solve inter-group conflicts directly are as follows:

- *Ignoring the conflict:* This is a direct method used by (he managers to solve inter-group conflicts. Ignoring the conflict is characterized by the absence of behavior wherein the members of the groups avoids dealing with the dysfunctional aspects of the conflict. In this, a, group simply refuses to attack the other group. But the disadvantage of this method is that it ignores the causes of conflicts and as a result, the conflict situation frequently continues or gets worse over time.

- *Domination by the management:* This method of solving inter-group conflicts emphasizes on improving the inter-group relations. To improve the inter-group relations, greater integration or collaboration among groups is needed. Management can use domination to minimize the conflicts by exercising its authority and power over the groups and their members.

- *Removing the key figures in the conflict:* This is another direct method to solve the inter-group conflicts. If a conflict arises because of personality differences between two individuals, removing them is a possible solution. It includes the removal of the key figures in the conflict. The key figures that are to be removed may be leaders of the groups and removing them could lead to greater conflict. It is also difficult to pinpoint accurately the individuals who are the root-cause of conflicts.

- *Problem solving:* Management can also establish a task force with representatives from groups in conflict to work on problems. The task force develops the ideas 'and procedures for improving group interaction and thereby attempt to solve the conflicts arising between the groups.

o Appealing to super-ordinate goals. The final method to minimize the conflicts is to find super-ordinate goals. For example, a wide profit-sharing plan of a company may encourage groups to work together. If the profits of a company are distributed among employees at the end of the year, the conflicts among groups can reduce. The super ordinate goals are as follows: The assignment and co-ordination of work among groups should be clarified so that the daily disputes over minor issues can be avoided.

o Managers should monitor reward systems to eliminate any win-lose conflicts among groups.

o The use of co-operative approaches among groups in organizations often leads to more positive results than does the use of competitive approaches.

o Managers can establish rules and standard procedures to regulate conflict in more constructive and effective ways.

ORGANISATIONAL DEVELOPMENT

Organizational Development (OD) is the most significant innovative and integrated process of achieving organizational efficiency and effectiveness. The term Organizational Development (OD) refers to a broad range of behavioral science based strategies used to diagnose the need for change in organizations and to implement changes when necessary. OD can be defined as "*a technique for bringing change in the entire organization, rather man focusing attention on individuals to bring change easily in the entire organization.*"

Nature of OD

OD is a general strategy or approach to organizational change mat is employed to analyze and diagnose the sources of organizational problems and to develop and implement action plans for their solution. According to Bennis, OD has the following characteristics;

- 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 OD 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.

Objectives of OD

1. To increase interpersonal trust among employees
2. To increase employees level of satisfaction and commitment
3. To increase openness of communication
4. To confront problems instead of sweeping the under the rug
5. To effectively manage the conflict
6. To increase co-operation and collaboration among the employees
7. To improve organization's problem solving and self renewal capabilities.

Benefits of OD programmes

1. It tries to create an environment in which exciting and challenging work can be found
2. It treats each human being as a person with a complex set of needs, all of which are important in his work and life.
3. It gives each member of the organization opportunities to develop to his full potential.
4. It seeks to make the organization more effective in meeting all its goal
5. It gives people in an organization the chance to influence how they relate to work, the organization and the work environment.

Limitations of the OD programmes

1. OD requires use of certain persons who can take initiative to bring about change. Complacement people cannot be helpful in implementing OD
2. OD 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.
3. OD is heavily based on the behavioral science concepts. Behavioral sciences have many limitations which are applicable to OD also.
4. It ignores circumstances and their influence in organization.

OD Interventions

OD 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 OD 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."*

Intervention Techniques

- Sensitivity Training
- Process Consultation
- Team Development
- Grid Organization Development
- Work redesign
- Job enrichment
- Management By Objectives (MBO)
- Quality of work life
- Survey feed back

Sensitivity Training: 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. In sensitivity training, the actual technique employed is T-group. T-group has several characteristic features:

- 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 lo 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.

Process Consultation: Process Consultation (P-C) represents a method of intervening in an ongoing system. The basic content of P-C 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. P-C 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.

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

Grid Organization Development: Grid organization development, developed by Blake and Mounton, is a comprehensive and systematic OD 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

Work Redesign: it 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,

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.

Quality of work Life(QWL): it describes a process by which an organization responds to employees needs by developing mechanism to allow them to share fully in making the decision that design life at work.

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.

Steps in MBO

1. Central goal setting
2. Setting individual goal
3. Freedom implementation
4. Periodic performance appraisal and feedback
5. Final appraisal

Survey Feedback: it is a popular technique, developed by Social Research Institute of University of Michigan. The main of this is to get team in the organization to face new issues;

Steps
- Collecting data about organization through questionnaires
- Conducting feedback meetings and work shop on the presentation of the data
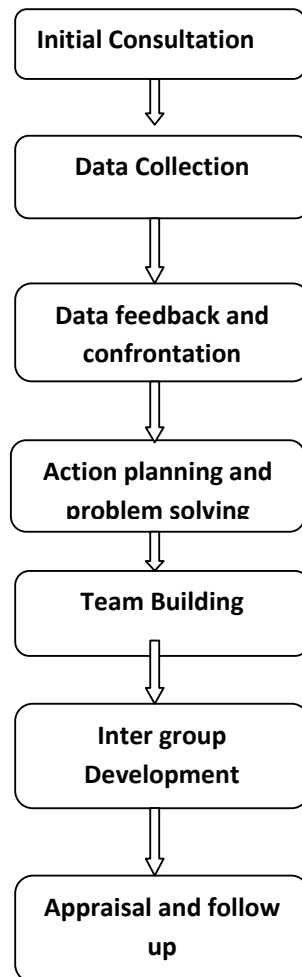- Review of the process

OD Values.

The following briefly identifies the underlying values in most OD efforts

1. **Respect for People**- individual should be treated with dignity and respect.

2. **Trust and Support-** the effective and healthy organization is characterized by trust, authenticity, openness and a supportive climate.

3. **Power equalization**- Effective organization deemphasizes hierarchical authority and control.

4. **Confrontation**- problem should not be swept under the rug. They should be openly confronted.

5. **Participation**- more is the number of members in the organization, more participation should be ensured

Organizational Development Process

The procedure of organizational development programme involves the following steps

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│   Initial Consultation   │
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┌─────────────────────────┐
│     Data Collection      │
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            ⇓
┌─────────────────────────┐
│   Data feedback and      │
│     confrontation        │
└─────────────────────────┘
            ⇓
┌─────────────────────────┐
│   Action planning and    │
│     problem solving      │
└─────────────────────────┘
            ⇓
┌─────────────────────────┐
│      Team Building       │
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            ⇓
┌─────────────────────────┐
│      Inter group         │
│     Development          │
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            ⇓
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│   Appraisal and follow   │
│           up             │
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Organizational Development process

1. **Initial consultation:** the first step in OD process is to approach the organizational development consultant to determine the type of OD programme to be developed. Consultant may internal staff or external agency. For the purpose of OD, they will conduct interview with needed parties.
2. **Data collection:** the consultant meets various groups away from the workplace in order to collect data to determine organizational climate and behavioral problem faced by the organization.
3. **Data feedback and confrontation:** data collected are made known to work groups concerned and are asked to review the data collected and to provide required feedback
4. **Action Planning and Problem solving:** data are used by the group to suggest the specific recommendations for change. They discuss the problem faced by the organization and sketch needed plans.
5. **Team building:** consultant encourages team building through organizing meeting with managers and their immediate subordinates and so they can improve the functioning of workgroup
6. **Inter group development:** with the development of natural team (managers and their immediate subordinates), the larger group comprising several teams may be developed. In this way it will include the whole organization.

7. **Appraisal and follow up:** the consultant further helps the organization in making an appraisal of the programme and find out deficiency, if any. He can develop additional programmes in areas where the original programme if felt ineffective and the result are poor. The consultant advises follow up for better understanding.

OD offers some very attractive methodologies and philosophies to practicing managers and academicians. William Halal is right when he says "OD in future includes any method for modifying the behavior in the organization, hereby, encompassing the entire spectrum of applied behavioral science". There also have been experiences of failure in OD but these are being recorded and collected to be reviewed. In general, OD shows a promising future, since there are no rigid sets of procedures in OD work and different strategies have to be evolved for different types of organizations.

Organizational culture

Organizational 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.

All the above definitions stress acceptable and unacceptable behavior of its members. For instance, one organization might value solidarity and loyalty to organization more than any other value whereas another organization might stress on good relations with customers. Such values are part of organizational culture in spite of not being formally written like rules and regulations of the organization. They do not usually appear in the organizational training Program and in fact, many organizations have difficulty in expressing their cultural values. However, an organization's values automatically enter every employee's personal values and actions over a period of time. Organizational culture has a profound influence on individual employees because it is generally an accepted set of values rather than a written set of rules with which employees might not argue.

Importance of Culture

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.

According to Bowditch and Buono. "*Organizational culture is concerned with the nature of beliefs and expectations about organizational life, while climate is an indicator of whether those beliefs and expectations are being fulfilled." Organizational climate is a relatively enduring quality of the internal environment that is experienced by its members, influences their behavior, and can be described in terms of the values of a particular set of characteristics.*"

It is a set of characteristics and factors of the organization that are perceived by the employees and, which serve as a major force in influencing their behavior. These factors may include job descriptions, performance arid evaluation standards, leadership style, challenges and innovations.

Organizational effectiveness

Organizational effectiveness is defined as an extent to which an organization achieves its predetermined objectives with the given amount of resources and means without placing undue strain on its members.

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 collection of factors both inside and outside an organization. It is commonly referred to as the degree to which predetermined goals are achieved. On the other hand, efficiency is a limited concept that pertains to the internal working of an organization. It refers to an amount of resources used to produce a particular unit of output. It is generally measured as the ratio of inputs to outputs.

Further, effectiveness concentrates more on human side of organizational values and activities whereas efficiency concentrates on the technological side of an organization. However the concept of effectiveness is not simple because there are many approaches in conceptualizing this term. Such approaches can be grouped into following three approaches:

- Goal Approach,

- Functional Approach

- System Resource Approach

Goal Approach

Goal attainment is the most widely used criterion of organizational effectiveness, in goal approach, effectiveness refers to maximization of profits by providing an efficient service that leads to high productivity and good employee morale. Campbell has suggested several variables such as, quality, productivity, efficiency, profit, turnover, accidents, morale, motivation and satisfaction, which help in measuring organizational effectiveness. However, none of the single variable has proved to be entirely satisfactory.

The main limitation of this approaches the problem of identifying the real goals rather than the ideal goals.

Functional Approach

This approach solves the problem of identification of organizational goals. Parson states that since it has been assumed that an organization is identified in terms of its goal, focus towards attainment of these goals should also aim at serving the society. Thus, the vital question in determining effectiveness is how well an organization is doing for the super-ordinate system.

The limitation of this approach is that when organizations have autonomy to follow its independent courses of action, it is difficult to accept that ultimate goal of organization will be to serve society. As such, it cannot be applied for measuring organizational effectiveness in terms of its contributions to social system. Both the goal and functional approach do not give adequate consideration to the conceptual problem of the relations between the organization and its environment.

System Resource Approach

System-resource approach of organizational effectiveness emphasizes on interdependency of processes that relate the organization to its environment. The interdependence takes the form of input-output transactions and includes scarce and valued resources such as physical, economic and human for which every organization competes.

The limitation of this model is that an acquisition of resources from environment is again related to the goal of an organization. Therefore, this model is not different from the goal model.

Thus, discussion of organizational effectiveness leads to the conclusion that there is no single indicator of effectiveness. Instead, the approach should focus on operative goals that would serve as a basis for assessment of effectiveness.

Managerial effectiveness is a causal variable in organizational effectiveness. It has been defined in terms of organizational goal-achieving behavior, i.e., the manager's own behavior contributes to achievement of organizational goals.

Factors affecting organizational effectiveness

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

- Causal
- Intervening
- End result

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.

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 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.

Casual Variables	Intervening Variables	End Results Variables
• Leadership Style	• Commitment to Objective	• Production
		• Cost
• Management Decision	• Motivation and Morale	• Sales
		• Earning
• Organizational Philosophy	• Communication Leadership Skills	• Turnover
		• Management
• Objectives and policies	• Conflict Resolution	• Union Relationship
• Technology	• Decision –Making	

Organizational Design

Organizational design is the overall configuration of structural components that defines jobs, groupings of jobs, the hierarchy, patterns of authority, and approaches to co-ordination and line-staff differentiation into a single and unified organizational system. Consider, for example, the differences in organizational design that might exist between a computer manufacturer and university. Since the computer manufacturer has to respond to frequent technological breakthroughs and changes in its competitive environment, it is likely to have a relatively flat and decentralized design whereas the university has a more stable environment and is less affected by technology. Therefore, it has a more centralized structure with numerous rules and regulations.

Determinants of organizational design

The key situational determinants of organizational design are technology, organizational environment, and organization size and life cycle.

➢ *Technology*: Technology is the set of processes that an organization uses to transform various resources such as materials and labor into products or services. Joan Woodward was the first person to see the link between technology and organizational design. In particular. Woodward defined three basic types of technology.

❖ In unit or small-batch technology, products are manufactured according to customer specifications in small quantities. Examples are printing press and studios.

❖ In large batch or mass-production technology, products. are manufactured in assembly-line fashion by combining component pans to create finished goods. Examples are home-appliance," automobile and computer manufacturers.

❖ In continuous-process technology, products are transformed from raw materials into finished goods through a series of machine transformations that change the composition of the materials themselves. Examples are petroleum refiners, food processors and chemical manufacturers.

Environment: The environment also influences the type of design an organization is likely to adopt. The environment of an organization consists of all the factors and conditions outside the organization that might affect it. which include customers, shareholders competitors, legislatures and regulatory agencies, economic factors, which include interest rates, unemployment rate, finance, objects, which include buildings, machines and events, which include as elections, war, floods etc.

➢ *Organizational Size and Life Cycle:* Organization size refers to how large ,   the organization is, usually, in terms of the number of its full-time employees. Life cycle refers to organization's maturity relative to that of other organizations

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.

Organizations encounter different forces for change. These forces come from external and internal sources of the organization.

External forces

External forces for change originate outside an organization. There are four key external forces for change:

Demographic Characteristics: These include age, education, skill level and gender of employees. Organizations need to effectively manage these characteristics in order to receive maximum contribution and commitment from their employees.

Technological Advancements: Both manufacturing and service organizations are increasingly using technology as a means to improve productivity and market competitiveness.

Market Changes: The emergence of a global economy is forcing Indian organizations to change the way they do business. Organizations are entering into new partnerships with their suppliers in order to deliver higher quality products at lower prices.

Social and Political Pressures: These forces are created by social and political events. Personal values affect employees' needs, priorities and motivation. Therefore, managers need to adjust their managerial style according to the changing employee values. Political events also create substantial change in an organization. Although it is difficult for organizations to predict changes in political forces, many organizations hire lobbyists and consultants to help them detect and respond to social and political changes.

Internal forces

Internal forces for change come from inside the organization. This may come from both human resource problems and managerial behavior.

Human Resource Problems

These problems stem from employee perceptions about their work environment and conflict between an employee and organization needs. Organizations might respond to these problems by using the various approaches to job design by implementing realistic job previews and by reducing employees' role conflict, stress, work overload and ambiguity.

Managerial Behaviour

Excessive interpersonal conflict between managers and their subordinates is a sign of implementing an immediate change. Inappropriate leader behavior such as inadequate direction and support are the cause of conflict between managers and their subordinates.

Nature of Change

Organizations introduce changes through people. Unless the people arc 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 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 m_ 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. For example, we know that honesty is the best policy and we have favorable altitudes towards people- who are honest but in certain situations, we may still act in a less honest way.

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.

Approaches to organizational change

As organizational change is a complex process, therefore managers must approach it systematically and logically. Some organizational changes are planned whereas other changes are reactive. Planned change is designed and implemented by an organization in an orderly and timely fashion in the anticipation of future change.

Reactive change results from a reaction of an organization to unexpected events. In contrast to planned change, it is a piece-meal response to circumstances as they develop. External forces that the organization has failed to anticipate or interpret always bring about reactive change. Since reactive change may have to be carried out hastily, it increases the likelihood of a poorly conceived and poorly executed Program.

Planned change is always preferable to reactive change. Managers who sit back and respond to change only when they can no longer avoid it are likely to waste a lot of time and money trying to patch together a last-minute solution. The more effective approach is to anticipate the significant forces for change working in an organization and plan ways to address them. To accomplish this, managers must understand the steps needed for effective change.

A comprehensive model of change

The comprehensive model of change shown in the following figure shows seven steps that can lead to effective change. This model is useful for both planned and reactive change.
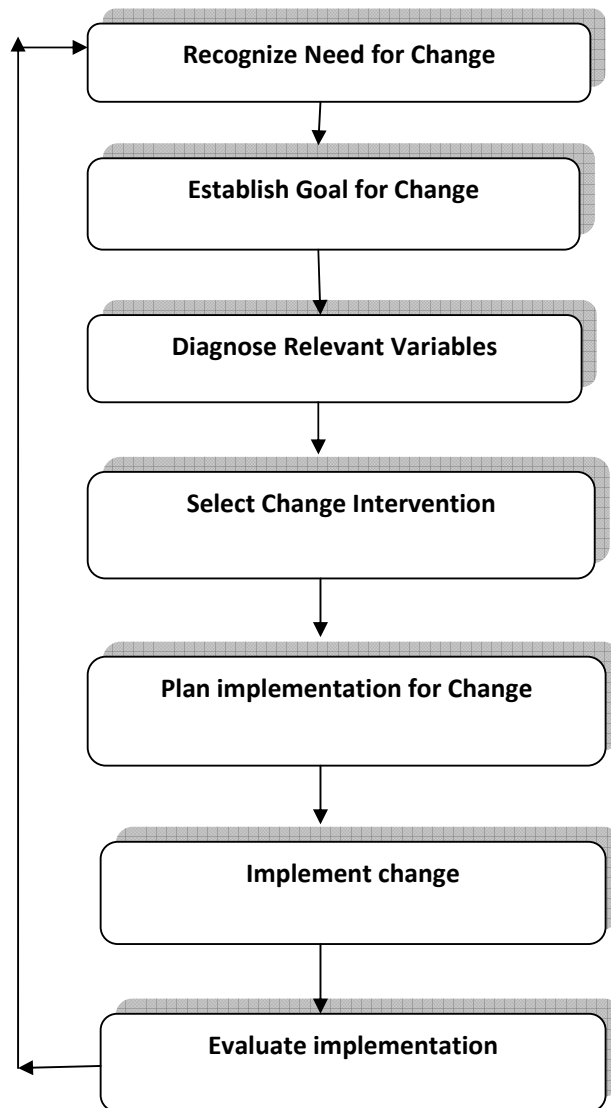
The seven steps of comprehensive model of change are as follows:

Recognize 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'.

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.

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        ┌─────────────────────────────┐
        │   Recognize Need for Change │
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        ┌─────────────────────────────┐
        │   Establish Goal for Change │
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        │   Diagnose Relevant Variables│
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        │   Select Change Intervention│
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        │ Plan implementation for Change│
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        ┌─────────────────────────────┐
        │      Implement change       │
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        │    Evaluate implementation  │
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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.

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 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.

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. For example, if the change involves the use of new equipment, the manager should not make any changes that rely on the use of new equipment until it has arrived and been installed and workers know how to use it. Moreover, if change is thrust upon them too quickly, their resistance may stiffen.

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.

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.

Models and dynamics of planned change

Managers are criticized for emphasizing short-term, quick fix solutions to organizational problems. Quick-fix solutions do not really solve underlying problems and they have little staying power. Researchers and managers have thus tried to identify effective ways to manage the change process. The following models have been developed to effectively manage change:

Lewin's Change Model

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:

1. The change process involves learning something new, as well discontinuing current attitudes, behaviors and organizational practices.
2. Change will not occur unless there is motivation to change. This is often the most difficult part of the change process.
3. 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.
4. Resistance to change is found even when the goals of change are highly desirable.
5. Effective change requires reinforcing new behaviors, attitudes and organizational practices.

The following are the three stages of change:

Unfreezing

The focus of this stage is to make organization open to change. In doing so individuals are encouraged to replace old behaviors and attitudes with those desired by management. Managers also need to devise ways to reduce the barriers to change during this stage.

Changing

The focus of this stage is in providing employees with new information, new behavioral models, or new ways of looking at things. The purpose is to help employees learn new concepts to implement

change. Role models, mentors, experts, benchmarking organization against world-class organizations and training are useful mechanisms to facilitate change.

Re freezing

The focus of this stage is stabilizing the change during refreezing by helping employees integrate the changed behavior or attitude into their normal way of doing things. This is accomplished by first giving employees the chance to exhibit the new behaviors or attitudes. Once exhibited, positive reinforcement is used to reinforce the desired change. Additional coaching and modelling are also used at this point to reinforce the stability of the change.
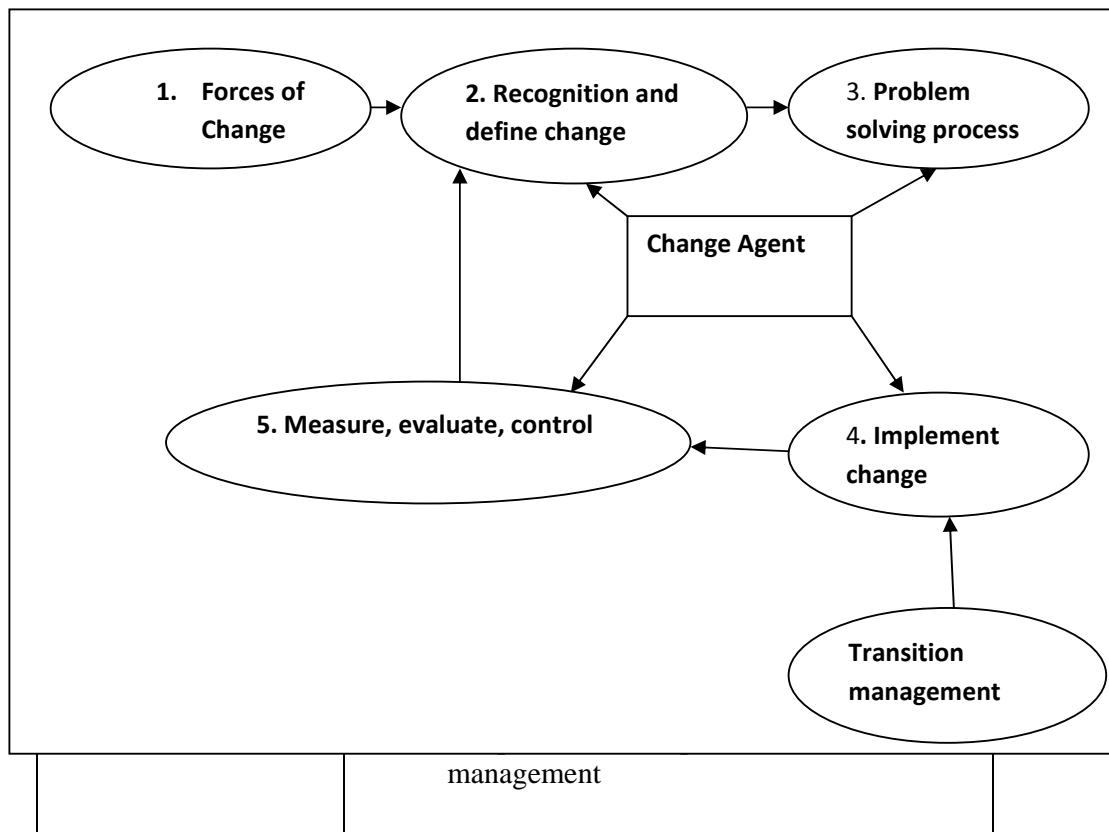
Expanded Process Model

Lewin's model is very simple and straightforward and virtually all models of organizational change use his approach. However, it does not deal with several important issues. Expanded process model is illustrated in the figure 20.2. This model looks at planned change from the perspective of top management. The model incorporates Lewin's concept as part of the implementation phase.

That calls 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.

Resistance to change

Although organizations initiate changes in order to adjust to the changes in their environments but people sometimes resist them. Therefore, managers need to recognize the manifestations of resistance both in themselves and in others, if they want to be more effective in supporting change. For example, managers can use the list given in following table.

Acceptance	• Acceptance • Passive resignation • Indifference

	• Apathy: loss of interest in the job • Doing only what is ordered • Regressive behavior
Indifference	
Passive **Resistance**	• Non-learning • Protests • Working to rule • Doing as little as possible
Active **Resistance**	• Slowing down • Persona! withdrawal (increased time off the job) • Committing "errors" • Spoilage • Deliberate sabotage

The sources of resistance to change within organizations are classified into organizational sources of resistance and individual sources of resistance.

Organizational sources of resistance

According to Daniel Kantz and Robert L Khan, organizational sources of resistance can be divided into following six general groups.

- Over determination or structural inertia refers to the tendency of an organization's rules, policies and structure to maintain the existing conditions and therefore resist change even when change would benefit the organization more than stability.
- When an organization tries to change one of its division or part of the division without recognizing the interdependence of the division with other divisions of the organization, then it is said to have a narrow focus of change. Often a part of division cannot be changed without changing the whole division.
- Group inertia may weaken an individual's attempt to bring about change.
- Resistance may also take the form of threatened expertise if the change lends to weaken special expertise built after years of experience. Organizational restructuring that involves reducing the number of job categories often meets this kind of resistance.
- Any change that may alter the power relationships within an organization may meet the form of resistance known as 'threatened power'.
- Resistance may occur when a change threatens quantum of resource allocation from one part of the organization to another.

Individual Sources of Resistance

According to researchers, individuals have the following reasons for resisting change:

- Simple habits create a lot of resistance. Most people prefer to do their work the way they did it last week rather than learn a new approach.

- Perhaps the biggest cause of employee resistance to change is uncertainty. In the face of impending change, employees are likely to become anxious and nervous. They worry about their ability to meet new job demands therefore, leading to feeling of job insecurity.

- Some people resist change to avoid feeling of loss. For example, many organizations change interventions and alter work arrangements, thus disrupting existing social networks. Social relationships are important to most people, so they resist any change that might adversely affect those relationships. Change may also threaten people's feelings of familiarity and self-confidence.

- People may resist change because their perceptions of underlying circumstances differ from the perceptions of those who are promoting the change.

Overcoming resistance to change

Managers need not abandon planned change in the face of resistance. Before recommending specific approaches to overcome resistance, there are three key conclusions that should be kept in mind. First, an organization must be ready for change. Second, the top management should inform the employees about the process of change. Third, the employees' perceptions or interpretations of a change should be considered.

The following methods of overcoming-resistance to change are as follows:

- *Participation:* Participation is generally considered the most effective technique for overcoming resistance to change. Employees who take part in planning and implementing change are better able to understand the reasons for the change than those who are not involved. They become committed to the change and make it work. Employees who have the opportunity to express their own ideas and to understand the perspectives of others are likely to accept change gracefully. It is a time consuming process.

- *Education and Communication:* Educating employees about the need for and the expected results of an impending change help reduce their resistance. Managers should maintain an open channel of communication while planning and implementing change. However, it is also a time consuming process.

- *Facilitation of Change:* Knowing ahead of lime that employees are likely to resist change then the manager should do as much as possible to help them cope with uncertainly and feeling of loss. Introducing change gradually, making only necessary changes, announcing changes in advance and allowing time for people to adjust to new ways of doing things can help reduce resistance.

- *Force-Field Analysis:* In almost any situation where a change is being planned, there are forces acting for and against the change. In force-field analysis, the manager list each set of forces and then try to remove or minimize some of the forces acting against the change.

- *Negotiation:* Where someone or some group will clearly lose out in a change and where that group has considerable power to resist, there negotiation is required. Sometimes it is a relatively easy way to avoid major resistance.

- *Manipulation and Cooperation:* This is followed when other tactics will not work or are too expensive. It can be quick and inexpensive; however, it can lead to further problems if people feel manipulated.

- *Explicit and Implicit Coercion:* This is adopted where speed is essential and where the change initiators possess considerable power. It is speedy and can overcome resistance.

Each of the above methods has its advantages and disadvantages. There is no universal strategy for overcoming resistance to change. Hence, an organization that plans to introduce certain changes must be prepared to face resistance from its employees. An organization should also have a planned approach to overcome such resistances.

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BEST WISHES

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MODEL QUESTION PAPER

ORGANIZATIONAL BEHAVIOR

Time: 3 Hours   **Max. Weight: 30**

Answer all Nine questions. Each carries a weightage of 1

1. Define Organisation behaviour?
2. Define Perception?
3. What you mean by Organizational Development?
4. What is Halo Effect?
5. Define Leadership?
6. What is Sensitivity Training?
7. In Motivation theory, ERG stands for-----
8. What is organizational conflict?
9. List out "internal factors" affecting Perception

                                        (9x1= 9 Weight)

Answer any five questions

Each question carries a weightage of 2

10. What do you understand by organizational behavior? Bring out its nature and importance.
11. Discuss the personality attributes in organization.
12. What is group cohesiveness? What are its determinants?
13. What are the causes of stress?
14. What is organizational culture? How it affects the behavior of the people?
15. Explain "Big 5 Personality Traits"
16. Discuss the types of leadership

                                        (5x2=10 Weight)

Answer any two questions, each carries 4 weight

17. State the consequences of **stress** and method of managing the stress
18. Define motivation. Discuss briefly theories of motivation
19. Define personality. Discuss various factors Effecting Personality?

                                        (2x4=8 Weight)

MODEL QUESTION PAPER

ORGANIZATIONAL BEHAVIOR

Time: 3 Hours   **Max. Weight: 30**

Answer all nine questions. Each carries a weightage of 1

1. Define Organization behaviour?
2. Define Personality?
3. What you mean by Organizational Culture?
4. What is stereo typing?
5. Define MBO?
6. What is Attitude?
7. What is organizational Design?
8. What is Quality of Work life?
9. List out key elements in OB

(9x1= 9 Weight)

Answer any five questions

Each question carries a weightage of 2

10. What do you understand by organizational behavior? Bring out its models
11. Discuss the external factors effecting perception.
12. Compare X and Y theory of Motivation
13. What are the steps involved in Organizational Development?
14. What is the classification of organizational group?
15. Discuss Freudian stages of development of Personality
16. Explain Need Hierarchy theory

(5x2=10 Weight)

Answer any two questions, each carries 4 weight

17. Define Conflict. What are the sources of organizational conflict? How do we solve interpersonal conflict?
18. Define leadership and briefly explain important leadership theories
19. Define OB. Discuss it as an interdisciplinary approach

(2x4=8 Weight)

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