EC 0416- Module 5 ENGINEERING MANAGEMENT

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Unit 5: Organizational Behavior:

Motivation, Content Theories: Maslow, Herzberg and McGregor, Stress and Conflict: Team building, Negotiation, Management by Objectives.

8 Hrs.

SLE: Leadership.

Organisational behaviour

- Organisational behaviour is concerned with the understanding, prediction and control of human behaviour in organisations
- It focuses on the individuals, the groups and the organisation and also on their interactional relationships
- It attempts to understand individuals in an organisation as a basis of meeting individual needs and achieving organisational objectives

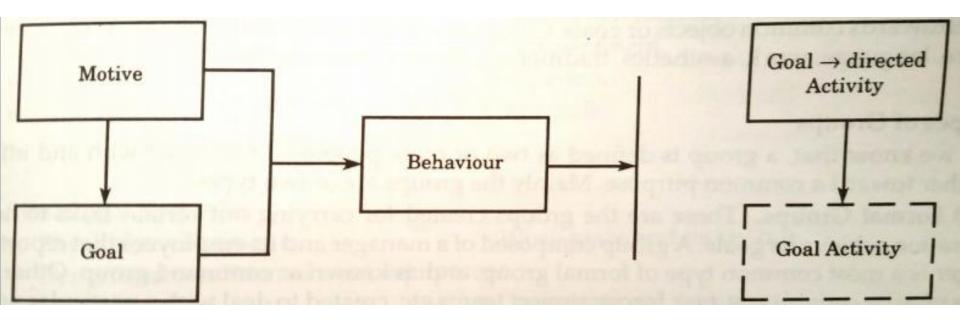
Organisational behaviour

- Organisational behaviour can be also defined as a field of study that investigates the impact that individuals, groups, and structure have on behaviour within organisation for the purpose of applying knowledge toward improving an organisation's effectiveness
- Organisational behaviour relies upon scientific methods:
 - (i) making predictions about real world
 - (ii) making observations in the real world to determine the accuracy of predictions
 - (iii) using the results of observations to explain relationships among objects, events or persons in the real world

Motivation

- One's behaviour is generally motivated by a desire to attain some goal. The specific goal may or may not be conscious but known by the individual.
- To predict a behaviour, manager must know which motives or needs of people evoke a certain action at a particular time
- Motives are the needs, wants, drives or emulses within the individuals. These are directed towards the goals.
- As motives or needs are the reasons underlying behaviour of a person and all individuals have many needs, all these needs comprises the behaviour

Relationship between motives, goals and activity



Motives of an individual are directed towards goal attainment. The strongest motive produces behaviour that is either goal-directed or goal activities. Since not all goals are attainable, Individuals do not always reach goal activity

Motivation Theories

• Maslow's theory of Need Hierarchy

In his theory he stated that there are five need of any human being. The needs are in a particular order. Once the lower level needs is satisfied, its intensity reduces and the new need emerges which has higher intensity and therefore individual attempts to satisfy the same. Needs do not disappear but its intensity is reduced.

The five needs mentioned by Maslow are 1) Physiological need. 2) Security need. 3) Social need. 4) Esteem need. 5) Self-actualisation need

How Recognition Works

Maslow's Hierarchy of Leads



Motivation Theories

McGregor introduced Theory X and Theory Y

- Theory X relates to the assumption Mc Gregor made about human beings. He stated that human beings are basically lazy, do not like work, are irresponsible, lazy and lack ambition. He therefore, recommended that the organization structure should be so designed that should lend itself to close supervision, tight control over the employees.
- Theory Y, on the contrary suggests employees as ambitious, hard working, responsible, innovative and self directed. He therefore, recommended managerial practices like delegation of authority, job enlargement, management by objective and creation of such environment that is conducive to higher productivity.

Herzberg's Two-Factor Theory

Not Dissatisfied Satisfied · Quality of Promotional supervision opportunities Pay · Opportunities for Company policies personal growth Physical working Recognition conditions Responsibility Relationships Job security Achievement

Dissatisfied

Not Satisfied



Motivation Theories

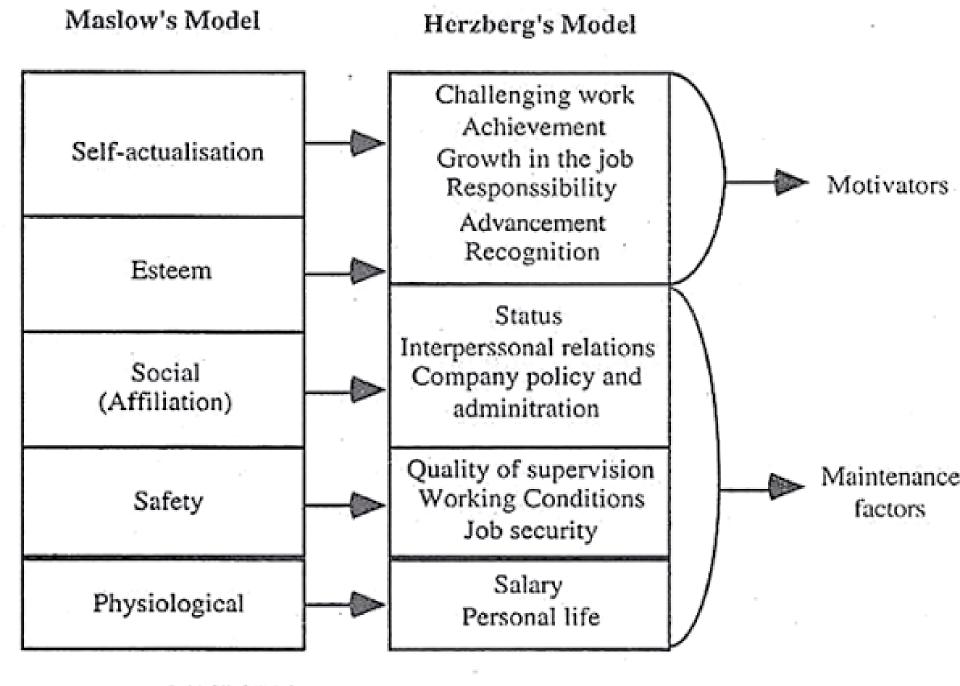
Herzberg Motivation : Hygiene theory (Two factor Theory)

- (a) It has been found that most of the people are capable of satisfying their lower level needs considerably as they are not motivated by maintenance factors/hygiene factors.
- (b) Any improvement in Hygiene factors do not motivate workers but their reduction below a certain level will dissatisfy them. For example increase in status or salary need not motivate an employee because he feels it, as a matter of happening but if he was not to get an increase in salary or if his status is not increased he would be dissatisfied. Hence the hygiene factors are called dissatisfiers. Therefore they do not contribute towards motivation.
- (c) The model suggested by Herzberg is not applicable in all conditions. There is a mixing up of both factors in a job, which cannot be separated, as intrinsic and extrinsic. Because the level of personal need and relative strength of each of the needs is different from person to person.

Motivation Theories

Herzberg Motivation : Hygiene theory (Two factor Theory)

- (d) Job satisfaction and job dissatisfaction are two opposite points on a single continuum. It has been seen that individuals are affected more by job environment or job contents when we want to achieve this, what we are actually doing is keeping hygiene factors constant and increasing the motivational factors in a job like improving the work itself or having growth orientation or we delegate the job to an individual and vest in him the full authority and responsibility.
- (e) Herzberg's theory of motivation is not conclusive as the scope was narrow. Only 200 respondents were interviewed and that to persons belonging to white collar jobs [engineers & accountants] hence affect of various hygiene factors may be positive on workers.
- (f) The study is "Method bound". It has not shown any positive results in actual work environment.
- (g) Herzberg's study of motivation is important, as it has identified two main factors as Motivational factors and Maintenance or Hygiene factors. They should not be divided in strict water tight compartments. Certain overlap is bound to happen. Since these are applied in relation to various human beings.



MASLOW'S AND HERZBERG'S MODELS OF MOTIVATION

- Stress is still one of the most important and serious problems facing the field of organizational behavior.
- Stress can be comprehensively defined as an adaptive response to an external situation that results in physical, psychological, and/or behavioral deviations for organizational participants.
- The causes of stress can be categorized into extraorganizational, organizational, and group stressors, as well as individual stressors and dispositions.
- In combination or singly, they represent a tremendous amount of potential stress impinging on today's jobholder-at every level and in every type of organization.

- Conflict and stress are conceptually and practically similar, especially at the individual level.
- Conflict at the intra-individual level involves frustration, goal conflict, and role conflict and ambiguity.
- Frustration occurs when goal-directed behavior is blocked. Goal conflict can come about from approach-approach, approach-avoidance, or avoidance-avoidance situations.

- In addition to stress, the dynamics of interactive behavior at interpersonal and group levels, and the resulting conflict, play an increasingly important role in the analysis and study of organizational behavior.
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- Frustration occurs when goal-directed behavior is blocked. Goal conflict can come about from approach-approach, approach-avoidance, or avoidance-avoidance situations.
- Role conflict and ambiguity result from a clash in the expectations of the various roles possessed by an individual and can take the forms of role conflict, intra-role conflict, or inter-role conflict.

- The effects of stress and intra-individual conflict can create physical problems (heart disease, ulcers, arthritis), psychological problems (mood changes, lowered self-esteem, resentment of supervision, inability to make decisions, and job dissatisfaction), and/or behavioral problems (tardiness, absenteeism, turnover, and accidents).
- Exercise, relaxation, behavioral self-control techniques, cognitive therapy techniques, and networking are some potentially useful coping strategies that individuals can apply to help combat existing stress.

Team

- When individuals with similar interest, attitude, and taste come together to work for a common objective, a team is formed.
- Every individual contributes equally and performs his level best to meet the team targets and achieve the organization's goal.
- Team members strive hard to live up to the expectations of others and successfully accomplish the assigned task.
- A team cannot do well unless and until each and every member is focused and serious about his responsibilities.
- For every team member, his team should come first and everything else later. Personal interests must take a backseat.

Team building

- Team building refers to the various activities undertaken to motivate the team members and increase the overall performance of the team.
- You just can't expect your team to perform on their own. A motivating factor is a must.
- Team Building activities consist of various tasks undertaken to groom a team member, motivate him and make him perform his best.

Team building exercises

- Encourage many trust building exercises in your team. Team members must trust each other for the maximum output.
- One must know his fellow team member well.
- The team members must be compatible with each other. Include icebreaking activities in the team
- Encourage activities where individuals come together as a single unit and work for a common task.

Need

- Team Building activities are of utmost importance as they help in the overall development of the team members and in turn improving the team's performance.
- It also strengthens the bond among the employees and they feel motivated to work and achieve the targets.
- Some kind of team building activities must be undertaken from time to time to encourage the team members to work hard and realize their dreams.

Negotiation

- Negotiation skills are becoming increasingly recognized as important to effective management and personal success.
- Negotiation is a method by which people settle differences. It is a process by which compromise or agreement is reached while avoiding argument and dispute
- In any disagreement, individuals understandably aim to achieve the best possible outcome for their position (or perhaps an organisation they represent). However, the principles of fairness, seeking mutual benefit and maintaining a relationship are the keys to a successful outcome.
- Specific forms of negotiation are used in many situations: international affairs, the legal system, government, industrial disputes or domestic relationships as examples. However, general negotiation skills can be learned and applied in a wide range of activities. Negotiation skills can be of great benefit in resolving any differences that arise between you and others.
- Informal Negotiation: There are times when there is a need to negotiate more informally. At such times, when a difference of opinion arises, it might not be possible or appropriate to go through the stages set out above in a formal manner.

Stages of Negotiation

• In order to achieve a desirable outcome, it may be useful to follow a structured approach to negotiation. For example, in a work situation a meeting may need to be arranged in which all parties involved can come together.

The process of negotiation includes the following stages:

- Preparation
- Discussion
- Clarification of goals
- Negotiate towards a Win-Win outcome
- Agreement
- Implementation of a course of action

Stages of Negotiation

1. Preparation

Before any negotiation takes place, a decision needs to be taken as to when and where a meeting will take place to discuss the problem and who will attend. Setting a limited time-scale can also be helpful to prevent the disagreement continuing.

2. Discussion

During this stage, individuals or members of each side put forward the case as they see it, i.e. their understanding of the situation.

3. Clarifying goals

From the discussion, the goals, interests and viewpoints of both sides of the disagreement need to be clarified.

4. Negotiate Towards a Win-Win Outcome

This stage focuses on what is termed a 'win-win' outcome where both sides feel they have gained something positive through the process of negotiation and both sides feel their point of view has been taken into consideration.

5. Agreement

Agreement can be achieved once understanding of both sides' viewpoints and interests have been considered.

6. Implementing a course of action

From the agreement, a course of action has to be implemented to carry through the decision.

Failure to agree

- If the process of negotiation breaks down and agreement cannot be reached, then re-scheduling a further meeting is called for. This avoids all parties becoming embroiled in heated discussion or argument, which not only wastes time but can also damage future relationships.
- At the subsequent meeting, the stages of negotiation should be repeated. Any new ideas or interests should be taken into account and the situation looked at afresh. At this stage it may also be helpful to look at other alternative solutions and/or bring in another person to mediate.

Negotiation

- In any negotiation, the following three elements are important and likely to affect the ultimate outcome of the negotiation:
 - Attitude
 - Knowledge
 - Interpersonal Skills

Attitude

All negotiation is strongly influenced by underlying attitudes to the process itself, for example attitudes to the issues and personalities involved in the particular case or attitudes linked to personal needs for recognition.

Knowledge

The more knowledge you possess of the issues in question, the greater your participation in the process of negotiation. In other words, good preparation is essential.

Interpersonal skills

Good interpersonal skills are essential for effective negotiations, both in formal situations and in less formal or one-to-one negotiations.

- The theory of Management By Objectives (MBO) is developed by Peter Drucker.
- Management By Objectives (MBO) is an **performance management** approach in which a balance is sought between the objectives of employees and the objectives of an organization.
- The essence of Peter Drucker's basic principle: Management By Objectives is to determine joint objectives and to provide feedback on the results.

Peter Drucker sets a number of conditions that must be met:

- Objectives are determined with the employees;
- Objectives are formulated at both quantitative and qualitative levels;
- Objectives must be challenging and motivating;
- Daily feedback on the state of affairs at the level of coaching and development instead of static management reports;
- Rewards (recognition, appreciation and/or performance-related pay) for achieving the intended objectives is a requirement;
- The basic principle is growth and development not punishments.

Management By Objectives (MBO) is also known as **Management By Results(MBR)**.



Peter Drucker has developed five steps to put Management By Objectives into practice:

1. Determine or revise the organizational objectives

Strategic organizational objectives are the starting points of management by objectives. These objectives stem from the mission and vision of an organization. If an organization has not formulated these yet, it does not make sense to carry out the next steps.

2. Translating the organizational objectives to employees

In order to make organizational objectives organization-wide, it is important that these are translated to employee level. For efficiency reasons, Peter Drucker used the SMART Goals acronym **SMART** (Specific, Measurable, Acceptable, Realistic and Time-bound).

- •The element *Acceptable* is crucial in management by objectives as this is about agreement on the objectives between the employees and the organization.
- The management by objectives principle does not allow management to determine the objectives by themselves.
- •According to management by objectives, objectives should be clearly recognizable at all levels and everyone should know what their responsibilities are in this.
- Communication is also an important item for consideration when it comes to expectations, feedback and to giving rewards for objectives that have been achieved.

3. Stimulate the participation of employees in the determining of the objectives

The starting point is to have each employee participate in the determining of personal objectives that are in line with the objectives of the organization. This works best when the objectives of the organization are discussed and shared throughout all levels of the organization so that everyone will understand why certain things are expected of them. In this way, everyone can make their own translation of what their contribution can be to the objectives. This approach increases the involvement and commitment of the objectives.

4. Monitoring of progress

Because the goals and objectives are SMART, they are measurable. If they cannot be measured, a system will have to be set up in which a monitoring function is activated when the objectives are deviated from. Detection must be timely so that large problems can be prevented.

- •In Management By Objectives, employees are not supported by their management through annual performance reviews.
- •Management By Objectives is about growth and development.
- •Each objective comprises mini objectives and it is about supporting these in small steps in the form of coaching by managers or executives.
- •Create a clear path with sufficient evaluation moments so that growth and development can be monitored accurately.

5. Evaluate and reward achievements

Management By Objectives has been designed to improve performance at all levels within an organization. A comprehensive evaluation system is therefore essential. As goals and objectives have been SMART formulated, they make the evaluation of processes very easy. Employees are evaluated and rewarded for their achievements in relation to the set goals and objectives. This also includes accurate feedback. Management By Objectives is about why, when and how objectives can be achieved.

THANK YOU