

NATIONAL OPEN UNIVERSITY OF NIGERIA

SCHOOL OF MANAGEMENT SCIENCES

COURSE CODE: BHM 727

COURSE TITLE: ORGANIZATIONAL BEHAVIOUR

BHM 727
ORGANIZATIONAL BEHAVIOUR

COURSE GUIDE

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TABLE OF CONTENTS

Introduction	3
Course Aims	3
Course Objectives	3
Course materials and Structure	3
Course Guide Study Units	4
Course Study Plan	5
What you will Learn in This Course.....	9
Assessment	11
Tutor Marked Assignments	12
Final Written Examination and Grading.....	12
Conclusion	13
Summary	13

BHM 727: ORGANIZATIONAL BEHAVIOUR

1.0 INTRODUCTION

BHM 727: Organizational Behaviour is a two credit unit course for students offering PGD Human Resources Management in the School of Business and Human Resources Management.

The course consists of fifteen (15) units, that is three (3) modules at five (5) units per module. The material has been developed to suit Masters Students in Human Resources Management at the National Open University of Nigeria (NOUN) by using an approach that Treat fundamental areas of organizational behaviour.

A student who successfully completes the course will surely be in a better position to manage workers as individuals and groups in both private and public organizations.

The course guide tells you briefly what the course is about, what course materials you will be using and how you can work your way through these materials. It suggests some general guidelines for the amount of time you are likely to spend on each unit of the course in order to complete it successfully. It also gives you some guidance on your tutor-marked assignments. Detailed information on tutor-marked assignment is found in the separate assignment file which will be available in due course.

2.0 WHAT YOU WILL LEARN IN THIS COURSE

This course will introduce you to the fundamental aspects of organizational dynamics generally. It also includes the Organizational Theory, Organizational Goals, Individual and groups in Organisation, Power and Authority, Organizational Leadership, Organizational growth and Development, Models of Organization Structure, Determinants of Structure, Centralization and Decentralization .

3.0 COURSE AIMS

The course aims, among others, are to give you an understanding of the intricacies of organizational dynamics and how to tackle case analysis in both private and public enterprises.

The Course will help you to appreciate Individual Behaviour, Groups and Group Dynamics, Organizational Structure and Culture, Leadership, Organizational Change and Development, and Case Study.

The aims of the course will be achieved by:

- Explaining the Concept of organization behaviour;

- Identifying the fundamental aspects of organizational dynamics;
- Discussing the aspects of Individual Behaviour in Organizations;
- Presenting the aspects of Groups and Group Dynamics;
- Highlighting and discussing Organizational Structure and Culture;
- Describing Leadership Theories and Leadership Behaviour;
- Discussing Organizational Change and Development; and
- Human Performance and Organizational Behaviour
- Understanding Rewards in Organization

4.0 COURSE OBJECTIVES

By the end of this course, you should be able to:

- Define the concept of Organizational Behaviour;
- Discuss the fundamental Aspects of Organizational Dynamics;
- Analyse the aspects of Individual Behaviour in Organizations;
- Discuss the aspects of Groups and Group Dynamics;
- Analyse Leadership Theories and Leadership Behaviour;
- Explain Organizational Change and Development; and
- Identify Organizational Dynamics and Changes

5.0 WORKING THROUGH THIS COURSE

To complete this course, you are required to read all study units, attempt all the tutor-marked assignments and study the principles and approach to case study and case analysis in this material provided by the National Open University of Nigeria (NOUN). You will also need to undertake practical exercises for which you need access to a personal computer running Windows 95. Each unit contains self-assessment exercises, and at certain points during the course, you will be expected to submit assignments. At the end of the course is a final examination. The course should take you about a total 17 weeks to complete. Below are the components of the course, what you have to do, and how you should allocate your time to each unit in order to complete the course successfully on time.

6.0 COURSE MATERIALS

Major components of the course are:

- Course Guide
- Study Units
- Textbooks
- Assignment file

7.0 STUDY UNITS

The study units in this course are as follows:

MODULE 1: NATURE AND FUNCTIONS OF ORGANIZATIONAL THEORY

- Unit 1: Overview of Organizational Behaviour
- Unit 2: A Conceptual model of Human Behaviour
- Unit 3 : Images and perceptions of organization as open and social system
- Unit 4: Organizational Goals
- Unit 5: Managing Workforce Diversity

MODEL 2: FOUNDATIONS OF ORGANIZATIONAL BEHAVIOUR

- Unit 1: Individuals and Groups in Organizations
- Unit 2: Informal Organization
- Unit 3: Attitudes of Individuals
- Unit 4: Personality Theories
- Unit 5: Power and Authority

MODULE 3: FOUNDATION OF ORGANIZATIONAL STRUCTURE

- Unit 1: Determinants of Structure
- Unit 2: Models of Organisational Structure
- Unit 3: Centralization and Decentralization
- Unit 4 : Organizational Leadership
- Unit 5 : Organizational Dynamics and Changes

8.0 ASSIGNMENT FILE

In this course, you will find all the details of the work you must submit to your tutor for marking. The marks you obtain for these assignments will count towards the final mark you obtain for this course. Further information on assignments will be found in the assignment file itself and later in the section on assessment in this course guide. There are 15 tutor-marked assignments in this course; the student should attempt all the 15.

9.0 : PRESENTATION SCHEDULE

The presentation schedule included in your course materials gives you the important dates this year, for the completion of tutor-marked assignments (TMAs) and attending

tutorials. Remember, you are required to submit all your assignments by the due date. You should guard against falling behind in your work.

10.0 ASSESSMENTS

There are two aspects to the assessment of the course: first are the tutor-marked assignments; and second is a written examination.

In tackling the assignments, you are expected to apply information, knowledge and techniques gathered during the course. The assignments must be submitted to your tutor for formal assessment in accordance with the deadlines stated in the Presentation

Schedule and the Assignment File. The work you submit to your tutor will account for 30% of your total course mark.

At the end of the course, you will need to sit for a final written examination of 'three hours' duration. This examination will also count for 70% of your total course mark.

11.0 TUTOR-MARKED ASSIGNMENT (TMAs)

There are fifteen tutor-marked assignments in this course and you are advised to attempt all. Aside from the course material provided, you are advised to read and research widely using other references (under further reading which will give you a broader viewpoint and may provide a deeper understanding of the subject. Ensure all completed assignments are submitted on schedule before set deadlines. If for any reasons, you cannot complete your work on time, contact your tutor before the assignment is due to discuss the possibility of an extension. Unless in exceptional circumstances, extensions may not be granted after the due date.

12.0 FINAL EXAMINATION AND GRADING

The final examination for this course will be of 'three hours' duration and have a value of 70% of the total course grade. All areas of the course will be assessed and the examination will consist of questions, which reflect the type of self-testing, practice exercises and tutor-marked problems you have previously encountered. All areas of the course will be assessed.

Utilize the time between the conclusion of the last study unit and sitting for the examination to revise the entire course. You may find it useful to review your self-assessment tests, tutor-marked assignments and comments on them before the examination.

13.0 COURSE MARKING SCHEME

The work you submit will account for 30% of your total course mark. At the end of the course, you will be required to sit for a final examination, which will also account for 70% of your total mark. The table below shows how the actual course marking is broken down.

Table 1: Course Marking Scheme

ASSESSMENT	MARKS
Assignment 6 (TMAs)	4 assignments, best 3 will be used for the Continuous Assessment = $10 \times 3 = 30\%$
Final Examination	70% of overall course marks
Total	100% of course marks

14.0 ASSIGNMENT FILE

Unit	Title of work	Weeks activity	Assessment (end of unit)
1	Overview Of Organizational Behaviour 1 Tutor	Marked	Assignment
2	A Conceptual Model of Human Behaviour	1 Tutor	Marked Assignment
3	Images and perceptions of organization as open and social system	1 Tutor	Marked Assignment
4	Organizational Goals	1 Tutor	Marked Assignment
5	Managing Workforce Diversity	1 Tutor	Marked Assignment
6	Individuals and Groups in Organizations 1 Tutor	Marked	Assignment
7	Informal Organization	1 Tutor	Marked Assignment
8	Attitudes of Individuals	1 Tutor	Marked Assignment
9	Personality Theories	1 Tutor	Marked Assignment
10	Power and Authority	1 Tutor	Marked Assignment
11	Determinants of Structure	1 Tutor	Marked Assignment
12	Models of Organisational Structure	1 Tutor	Marked Assignment
13	Centralization and Decentralization 1 Tutor	Marked	Assignment
14	Organizational Leadership	1 Tutor	Marked

			Assignment
15	Organization Dynamics and Changes	1 Tutor	Marked Assignment
	Revision		
	Total	15	

15.0 TUTORS AND TUTORIALS

There are 15 hours of tutorials provided in support of this course. You will be notified of the dates, times and location of these tutorials, together with the names and phone numbers of your tutor, as soon as you are allocated a tutorial group.

Your tutor will mark and comment on your assignments, keep a close watch on your progress and on any difficulties you might encounter as they would provide assistance to you during the course. You must submit your tutor-marked assignments to your tutor well before the due date (at least two working days are required). They will be marked by your tutor and returned to you as soon as possible. Do not hesitate to contact your tutor by telephone, e-mail, or discussion group if you need help.

The following might be circumstances in which you would find help necessary, when:

- you do not understand any part of the study units or the assigned readings.
- you have difficulty with the self-tests or exercises.
- you have a question or problem with an assignment with your tutor's comment on an assignment or with the grading of an assignment.

You should try your best to attend the tutorials. This is the only chance to have face-to-face contact with your tutor and to ask questions which are answered instantly. You can raise any problem encountered in the course of your study. To gain the maximum benefit from course tutorials, prepare a question list before attending them. You will learn a lot from participation in discussions.

16.0 SUMMARY

BHM727: Organizational Behaviour intends to expose the graduate student to the nitty-gritty of managing individuals and groups in any enterprise, be it a private or public, corporate or small business enterprises, government or non-governmental organizations. Upon completing the course, you will be equipped with the knowledge required to produce a good research work.

We hope you enjoy your acquaintances with the National Open University of Nigeria (NOUN). We wish you every success in the Future

COURSE DEVELOPMENT

BHM 727

ORGANISATIONAL BEHAVIOUR

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TABLE OF CONTENTS	Page
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Introduction	
Course Aim	
Course Objectives	
Working through this course	
Course Materials	
Study Units	
Textbooks and Reference	
Assessment	
Tutor Marked Assignment	
Final Examination and Grading	
Course Score Distribution	
Course Overview / Presentation	
How to get the most from this course	
Tutors and Tutorials	
Summary	

MODULE 1: NATURE AND FUNCTIONS OF ORGANIZATIONAL THEORY

- Unit 1 Overview of Organisational Behaviour
- Unit 2 Models of Human Behaviour
- Unit 3 Images and Perceptions of Organisation as Open and Social System
- Unit 4 Organisational Goals
- Unit 5 Managing Workforce Diversity

UNIT 1 OVERVIEW OF ORGANISATIONAL BEHAVIOUR

Table of Contents

- 1.0 Introduction
- 2.0 Objectives
- 3.0 Main Content
 - 3.1 Concept of Organisational Behaviour
 - 3.2 Genesis of Organisational Behaviour
 - 3.3 Needs for the Study of Organisational Behaviour
 - 3.4 Goals of Organisational Behaviour
 - 3.5 Traditional and New Approaches to Organisational Behaviour
 - 3.5.1 Individual Perspective
 - 3.5.2 Small and Large Group Perspective
 - 3.5.3 Organisational Perspective
 - 3.5.4 Integrative Perspective
- 4.0 Conclusion
- 5.0 Summary
- 6.0 Tutor Marked Assignment
- 7.0 References and Further Readings

1.0 INTRODUCTION

In a simple term, organisational behaviour refers to the behaviour of persons in an organisation. Everybody wants to understand others behaviour. Understanding others behaviour helps the persons to influence them. As you must be aware, human behaviour is guided by the internal and external forces. The analysis of these forces provides an insight for understanding the behaviour. Moreover, managers have been grappling with the idea of the channelisation of human energy towards the attainment of the organisational goals.

The understanding of human behaviour play very important role in this endeavour as well. Thus, the study of organisational behaviour provides guidelines for influencing the behaviour of persons in the organisation.

In this unit, you will learn the concept, genesis, needs and goals of the organisational behaviour. You will be familiarized with the approaches of the organisational behaviour. You will further learn various perspectives of the study of organisational behaviour.

2.0 OBJECTIVES

At the end of this unit, you should be able to:

- (i) discuss the meaning, needs and goals of organisational behaviour;
- (ii) correlate the study of organisational behaviour to its root-subjects;
- (iii) identify direction and degree of changes taking place in the field of organisational behaviour;
- (iv) explain scope of organisational behaviour in basically three dimensions: individual, group and organisational;
- (v) integrate organisational behaviour with overall effective management of an organisation; and
- (vi) develop a sense of sequencing of various issues discussed in subsequent units in this course.

3.0 MAIN CONTENT

3.1 Concept of Organisational Behaviour

To understand the concept of organisational behaviour, let us first take the two terms involved: organisation and behaviour.

Organisation is a place where two or more people work together in a structured way to achieve a specific goal or set of goals. Goals are fundamental elements of organisations. According to Gary Johns, (1980) organisations are social interventions for accomplishing goals through group efforts. Various environmental forces influence organisations. There are two types of environmental forces, viz: direct and indirect. Some of the main direct forces are: economic, technological, socio-cultural, political and international.

Behaviour is anything that the human being does. Behaviour is a response to stimulation that can be observed, thus, it is any response or reaction of an individual. The basic unit of behaviour is activity. According to Luthans, in understanding the variable, it is extremely important to separate the actual behaviour events from the outcomes of the events. Specific observable behavioural events and their patterns provide useful data in order to analyse the interaction, which precedes the behaviour and the consequences that follow the behaviour.

Running a large company, or even a small one, is not an easy task. The field of Organisational Behaviour provides many helpful insights into understanding the complexities of people's behaviour on the job. Organisational Behaviour is the study and application of knowledge about how people act within organisations. The key elements in an organisation are: people, structure, technology and external environment in which the organisation operates. When people join together in an organisation to accomplish an objective, some kind of structure is required. People also use technology to get the job done. so there is an interaction of people, structure and technology. In addition, these elements are influenced by the external environment, and they influence it.

According to Keith Davis(1980), Organisational Behaviour is an academic discipline concerned with understanding and describing human behaviour in an organisational environment. It seeks to shed light on the whole complex human factor in organisations by identifying causes and effects of that behaviour. According to Joe Kelly,(1970) Organisational Behaviour is the systematic study of the nature of organisations: how they begin, grow and develop, and their effect on individual members, constituent groups, other organisations, and large institutions. According to Luthans, Organisational Behaviour is directly concerned with the understanding, prediction and control of human behaviour in organisations. According to Robbins, Organisational Behaviour is a field of study that investigates the impact that individuals, groups, and structure have on behaviour within organisations for the purpose of applying such knowledge towards improving an organisation's effectiveness. According to Baron and Greenberg, Organisational Behaviour is the field that seeks knowledge of behaviour in organisational settings by systematically studying individual, group, and organisational processes.

On the basis of the definitions stated and various other definitions, we can draw the following conclusions related to the nature and scope of Organisational Behaviour:

- Interdisciplinary Approach:

Organisational behaviour integrates knowledge from various relevant disciplines. This issue will be clear to you after reading the section on genesis of organisational behaviour in this unit.

- An Applied Science:

Organisational behaviour is oriented towards understanding the forces that affect behaviour so that their effects may be predicted and guided towards effective functioning of organisation. This issue will be clearer to you after reading the section on goals of organisational behaviour in this section.

- Behavioural Approach to Management:

Organisational behaviour is directly connected with the human side of management, but it is not the whole of management. Organisational behaviour is related with the conceptual and human dimensions of management.

- Concerned with Environment:

Organisational behaviour is concerned with issues like compatibility with environment e.g. person-culture fit, cross-cultural management etc.

- Scientific Method:

Organisational behaviour follows the scientific method and makes use of logical theory in its investigation and in answering the research questions. It is empirical, interpretive, critical and creative science.

- Contingency Approach:

There are very few absolutes in organisational behaviour. This approach is directed towards developing managerial actions that are most appropriate for a specific situation.

- A Systems Approach:

Organisational behaviour is a systematic vision as it takes into account all the variables affecting organisational functioning.

- Value Centred:

Organisational behaviour is a value-centred science.

- Utilises Two Kinds of Logic:

It utilises both objective and subjective logic. Objectivity is concerned with reaching a fact through empirical analyses. Subjectivity is concerned with deciding about an issue through intuition, common sense, experiences, gut feeling, metaphors, learning from stories and cases, persuasive literature etc.

Organisational Behaviour focuses on five levels of analysis. They are:

- o Individual behaviour;
- o Interpersonal behaviour;
- o Group behaviour and group dynamics;
- o Organisational issues;
- o Environmental issues.

3.2 Genesis of Organisational Behaviour

Behavioural science or Organisational Behaviour is not an elemental subject; rather it is like a compound subject, with integrated weaving of various disciplines. In modern terminology, Organisational Behaviour is an interdisciplinary approach to the study of human behaviour in organisations. The study of behaviour can be viewed in terms of various main disciplines. All disciplines have made an important contribution to the field of Organisational Behaviour. These disciplines are:

Psychology:

Psychology is, broadly speaking, concerned with the study of human behaviour, with traits of the individual and membership of small social groups. The main focus of attention is on the individual as a whole person. Organisational Behaviour learns a great deal in issues like

personality, perception, emotions, attitude, learning, values, motivation and job satisfaction etc. from the field of psychology.

Sociology:

Sociologists are more concerned with the study of social behaviour, relationships among social groups and societies, and the maintenance of order. The main focus of attention is on the social system. Organisational Behaviour has developed by taking many issues from sociology. Some of them are: group dynamics, communication, leadership, organisational structures, formal and informal organisations, organisational change and development etc.

Social Psychology:

Social psychology examines interpersonal behaviour. The social psychologists are concerned with intergroup collaboration, group decision making, effect of change on individual, individual's responsiveness to change, and integration of individual needs with group activities.

Anthropology:

Anthropologists are more concerned with the science of mankind and the study of human behaviour as a whole. Issues like, individual culture, organisational culture, organisational environment, comparative values, comparative attitudes, cross-cultural analysis, are common to the fields of anthropology and organisational behaviour.

As far as organisational behaviour is concerned, one of the main issues demanding attention is the cultural system, the beliefs, customs, ideas and values within a group or society, and the comparison of behaviour among different cultures. People learn to depend on their culture to give them security and stability, and they can suffer adverse reactions to unfamiliar environments.

Political Science:

Political science as a subject has many ingredients, which directly affect human behaviour in organisations since politics dominates every organisation to some extent. Certain themes of interest directly related to organisational behaviour are, power and politics, networking, political manipulation, conflict resolution, coalition and self-interest enhancement.

Economics:

Economic environment influences organisational climate. Organisational behaviour has learned a great deal from such economic factors as labour market dynamics, cost-benefit analysis, marginal utility analysis, human resource planning, forecasting and decision making.

Engineering:

Industrial engineering area has contributed a great deal in the area of man-machine relationship through time and motion study, work measurement, workflow analysis, job design, and compensation management. Each of these areas has some impact on organisational behaviour.

Medicines:

Medicine is one of the newest fields which are now being related to the field of organisational behaviour. Issues like work-related stress, tension and depression are common to both: the area of medicine, and organisational behaviour.

Semantics:

Semantics helps in the study of communications within the organisation. Misunderstood communication and lack of communication lead to many behaviour-related problems in the organisation. Accordingly, adequate and effective communication is very important for organisational effectiveness.

3.3 Needs for the Study of Organisational Behaviour

A study of organisational behaviour is beneficial in many ways. Some of the benefits of studying organisational behaviour are listed below:

- It helps an individual understand oneself. It is a systematic study of the actions and attitudes that people exhibit within organisation.
- It helps managers in getting the work done through effective ways.
- It emphasises the interaction and relations between the organisation and individual behaviour, thus making an attempt to fulfill psychological contract between individuals and the organisation.
- It helps to develop work-related behaviour and job satisfaction.
- It helps in building motivating climate.
- It helps in building cordial industrial relations.
- It helps in the field of marketing through deeper insight of consumer behaviour, and managing and motivating field employees.
- It helps in predicting behaviour and applying it in some meaningful way to make organisations more effective.
- It implies effective management of human resources.

- It helps to improve functional behaviour leading to productivity, effectiveness, efficiency, organisational citizenship, and also helps to reduce dysfunctional behaviour at workplace like absenteeism, employee turnover, dissatisfaction, tardiness etc.

The study of organisational behaviour can be said to be most important contributor towards building managerial skills. After studying this whole subject, you would realise that contributions of organisational behaviour towards building the following skills and values are unparalleled:

- Self development
- Personality development
- Development of human values and ethical perspective
- Managing stress and achieving mental hygiene
- Creative use of emotions
- Creating learning individual and learning organisation
- Managing creativity and innovation
- Motivation and morale
- Job satisfaction
- Effective communication
- Interpersonal effectiveness including persuasion, coaching, counselling, mentoring, goal setting, decision making, politicking, negotiation, conflict handling.
- Team building
- Leadership
- Creating effective organisational culture
- Managing change
- Continuous development through behavioural interventions.

Self Assessment Exercise 1:

Meet a training manager working in an organisation, who is responsible for providing behavioural training to executives. Discuss two issues with him/her:

- (a) What are the five behavioural issues on which training programmes have been arranged for employees during the past one year?
- (b) In his/her opinion, how did these training programmes help employees to acquire human skills?

3.4 Goals of Organisational Behaviour

The field of organisational behaviour faces a special challenge. In the areas of physical science, accounting, mathematics etc. if you do not know a concept, you would not claim that you know it. However, in the field of human behaviour, though we may not know a fact, yet through our accumulated experience it may appear that we know it and, in this long drawn conclusion, you may be far away from the fact. For example, it appears that high job satisfaction would

necessarily lead to high organisational commitment but most of the studies have stood against this apparently obvious hypothesis. One of the objectives of a course in organisational behaviour is to replace popularly held notions, often accepted without question, with science-based conclusions.

Since 1950's till date, hundreds of thousands of research studies have been done on various aspects of organisational behaviour, and several hundreds of research studies still continue to investigate facts. Organisational behaviour attempts to test theories through scientific research process. Once a theory has been formulated, predictions derived from it are tested through direct research. If these are confirmed, confidence in the theories is increased. If they are disconfirmed, confidence is diminished. At this point, the theory is either modified and retested, or completely rejected. Theory building and empirical research co-exist and reinforce each other. A good theory has to be of practical use and empirical validation would confirm this. Likewise, a good empirical research should have its foundation in a viable theory and should add to the body of existing knowledge. There are mainly three goals of organisational behaviour:

Understanding behaviour:

- Which variables are important?
- How strong are they?
- How do they interrelate?

Predicting behaviour:

- What patterns of behaviour are present?
- What is the cause-effect relationship?

Controlling behaviour:

- What solutions are possible?
- Which variable can be influenced?
- How can they be influenced?

Self Assessment Exercise 2:

1. What is organisational behaviour?
2. How can the study of organisational behaviour lead to managerial effectiveness?
3. Why is organisational behaviour called an interdisciplinary field of study?

3.5 Traditional and New Approaches to Organisational Behaviour

Study of human behaviour, being a part of general management, can be traced back to 4,000 B.C, when the Egyptian pyramids were built or even the dawn of mankind when people hunted in groups and protected their families or communities against hostile environmental forces. However, for the purpose of our study, we need to evaluate how organisational behaviour developed during the last two centuries.

- The Scientific Management Theories and the School: mainly developed by Frederick W. Taylor, H.L. Gantt, Franker and Lillian Gilberth.
- Classical Organisation Theory School: mainly developed by Henri Fayol, Max Weber, Mary Parker Follet, Chester Barnard.
- The Human Relations School: mainly developed by Abraham Maslow, Douglas McGregor, James March, Herbert Simon.
- The Systems Approach.
- The Contingency Approach.
- Contemporary Approach.

After studying the historical development of organisational theories, you might have noticed that with passage of time, the following issues occurred:

- Human factor became more important successively.
- Focus shifted from individual performance to both individual as well as group (team) performance.
- Emphasis given on actualizing the human potential.
- Emphasis on developing managerial and human skills on continuous basis.
- Emphasis on human relationship and informal organisation.
- Emphasis on creating synergy through teamwork.
- Treating employees with more dignity as a wholesome person.
- Increasing importance to environmental factors influencing organisation.
- Importance to psychological contract between individuals and organisation.
- Increasing concern for people in organisation.
- Continuous effort to establish effective organisational culture and climate.

According to Robert Baron, four major features characterise modern organisational behaviour. They are:

- It has adopted a somewhat more positive view of human being in work settings than prevailed in the past.
- By drawing on several related fields, it has attained a degree of sophistication about human behaviour.
- It has adopted a contingency approach to behaviour in organisation – assuming that there is nothing like permanent way of arriving at a particular solution effectively.

- It is integrative in nature. It seeks to comprehend behaviour in organisations by combining information from several different levels of analysis.

Apart from the description above, modern organisational behaviour is concerned with the issues like: managing intelligence quotient, emotional quotient, and spiritual quotient, improving mental hygiene and overall health of members, continuous improvement of skills and values through training, managing ethical practices, accomplishing fulfillment of psychological contract between individuals and the organisation, quest for quality, behavioural intervention in merger and acquisition as well as in rightsizing, cross-culture management, managing multinational organisations etc.

According to modern thoughts on organisational behaviour, it is necessary to understand the interrelationships between human behaviour and other variables, which together comprise the total organisation. These variables provide parameters within which a number of interrelated dimensions can be identified – the individual, the group, the organisation, and the environment – which collectively influence behaviour in work organisations.

3.5.1 Individual Perspective

Organisational behaviour deals with individual behaviours in organisations, apart from dealing with group behaviours and behaviours in organisations. You will get exposure to individual perspective of organisational behaviour in detail as the study continues. However, it should be clear to you now that there is need to find answers to the following: Why we study individual perspective in organisational behaviour, and what are those issues dealing with individual perspective of organisational behaviour? An organisation is as good as its people. For organisations to grow continuously there is need for keeping its individuals growing through the following measures:

1. Continuous learning;
2. Creating right perception;
3. Building positive attitudes and values;
4. Having personality and emotions compatible at workplace;
5. Maintaining stress-free individuals and environment;
6. Keeping individuals and teams motivated and providing job satisfaction.

These are discussed individually below:

1. Continuous learning:

There are many ways through which an individual learns. Learning is any permanent change in behaviour, or behaviour potential, resulting from experience. In order to be effective, organisations need to promote that behaviour, which are functional and need to discourage that behaviour, which are detrimental to effective organisation. The ways learning take place and the methods through which learning can be converted to desirable behaviour are the section.

2. Creating right perception:

Perception is the process through which we select, organise and interpret input from our sensory receptors. Your five senses (eyes through sight, ears through audition, nose through smell, mouth or tongue through taste, and skin through touch) are continuously gathering information from your surroundings.

Now, it is your perception, which gives meaning to various combination of information that you gather. The field of organisational behaviour helps to create right perception, which is pre-requisite for working effectively with people.

3. Building positive attitudes and values:

Attitudes are lasting evaluations of people, groups, objects, or issues – in fact, of virtually any aspect of the social or physical world. Positive attitudes are important ingredient of effective relationship.

Values are the basic convictions that a specific mode of conduct or end-state of existence is personally or socially preferable to an opposite or adverse mode of conduct or end-state of existence. Values are at the base of attitudes and behaviour, hence it is important to learn values in organisational behaviour.

4. Having personality and emotions compatible at workplace:

Personality is an individual's unique and relatively stable patterns of behaviour, thoughts and feelings. There is need in organisations to create a right combination of person and job, so that full potential of an individual can be utilised. According to the requirements of the work, personality can also be developed.

Emotions are reactions consisting of subjective cognitive states, physiological reactions, and expressive behaviours. Cognition is the mental activities associated with thought, knowledge, and memory. An understanding about emotions helps for self-development of individuals.

5. Maintaining stress-free individuals and environment:

Stress is a dynamic condition in which an individual is confronted with an opportunity, constraint, or demand related to what he or she desires and for which the outcome is perceived to be both uncertain and important. With growing competition and survival, and excellence becoming tougher, stress is the managerial discomfort of modern era.

6. Keeping individuals and teams motivated and providing job satisfaction:

Motivation can be described as perhaps the most important intangible resource of the organisation. Motivation is an inferred internal process that activates; guides and maintains behaviour over time.

Job satisfaction is a general attitude towards one's job. It also depends on the difference between the amount of rewards workers receive and the amount they believe they should receive.

3.5.2 Small and Large Group Perspective

In an organisation, an individual does not exist alone. Plurality of people is the essential ingredient of an organisation.

An organisation makes continuous effort to create synergy in the group or team, in order to make the team more productive and more effective. Some of the important measures that organisational behaviour suggests at group level interventions are:

1. Group formation and structure;
2. Communication;
3. Conflict management;
4. Team building and leadership; and
5. Power and politics.

- **Group Formation and Structure:**

Group explains the situation where two or more individuals are interacting and interdependent, who have come together to achieve particular objectives. It deals with issues like, how groups are formed, how groups develop, when groups become more effective, what are the undercurrents of group dynamics, and how group decisions are taken.

- **Communication:**

Communication deals with transference and understanding of meaning. Organisations make effort through formal structure as well as through informal interaction to establish sound communication system within and outside organisation. Establishing effective communication climate through right attitude of people and through modern technology is the subject of subsequent sections in this Unit.

- **Conflict Management:**

Conflict is a process that begins when one party perceives that another party has negatively affected, or is about to negatively affect, something that the first party cares about. Conflict may arise at various levels, like within the person (intrapersonal level), between two persons (interpersonal level), intradepartmental level, interdepartmental level, inter-organisational level etc. Conflict is not necessarily bad, as it promotes difference of opinions, which may help for improving quality of decision. Skillful managers make creative use of conflict by turning challenges into opportunities.

- **Team Building and Leadership:**

These two are highly sought after issues of organisational behaviour. Team building leads to high interaction among team members to increase trust and openness. For team building, effective leadership styles are required. Leadership is the ability to influence a group toward the achievement of goals.

- **Power and Politics:**

Some amount of pushes and pulls are inevitable where more than two persons exist. Individual tends to exercise power to influence behaviour of others, so that others act in accordance with the wishes of the individual. Political behaviour deals with use of informal networking to make an attempt to influence others. When others are influenced for narrow gains, politics is dysfunctional, but when influence is used for achieving overall goals in larger interest, political behaviour is functional, and also desirable for organisation.

3.5.3 Organisational Perspective

Organisational perspective of organisational behaviour deals with larger issues of the organisations. Such issues influence an organisation in broader ways. Organisational perspective of organisational behaviour deals with the following issues:

1. Organisational culture and climate;
2. Organisational change; and
3. Organisational development.

Organisational culture and climate:

Organisational culture explains a common perception held by the organisation's members. It depicts a system of shared meaning. A sound culture leads to conducive organisational climate. For long term effectiveness, organisations need to investigate into, as well as need to take measures for improving organisational climate and culture.

Organisational change:

This is an age of change. It is said that the only thing that is permanent is change. In ~~decade~~ ^{decade}, there used to be longer duration of stability with off and on shorter duration of change in the organisations. Now, the mantra itself has changed. We are passing through shorter duration of stability. In subsequent units, you will learn about strategies to implement change management for building effective organisations.

Organisational development:

Organisational development explains collection of planned-change interventions, built on humanistic-democratic values that seek to improve organisational effectiveness and employee well-being. Such interventions may be applied at individual level, group level as well as organisational level.

Self Assessment Exercise 3:

1. How do views relate with managing human factor change along with changes in concepts of management?
2. What is your understanding of flow of sequence of various issues in this subject of Organisational Behaviour?

3.5.4 Integrative Perspective

As individuals do not exist in isolation, organisations also do not exist in isolation. There is constant influx of environmental impact on organisations which in turn stimulate behaviour pattern within the organisation. The boundaries of organisations are becoming more transparent rather than more fragile. Organisations are required to focus on many emerging issues. Some of them are:

- Continuous improvement of people and process.
- Integrating human factor with grand objectives of the organisation.
- More emphasis on quality of products, services and process.
- Restructuring to suit requirements of service organisations, taskforce teams, as well as, in the case of rightsizing and acquisition and merger.
- Managing diversity.
- Product innovation.
- Managing creativity and innovations.
- Cross-cultural management.
- Managing multinationals.

Self Assessment Exercise 4:

1. How is study of organisational behaviour beneficial for making an organisation effective?
2. How has approach of organisational behaviour matured over time?

4.0 CONCLUSION

Organisational behaviour deals with the understanding, prediction and control of human behaviour in an organisation. It is an interdisciplinary approach to the study of human behaviour. The study of behaviour can be viewed in terms of various main disciplines like, Psychology, Sociology, Social Psychology, Anthropology, Political Science, Economics,

Engineering, Medicines, Semantics, etc. The study of organisational behaviour helps to improve functional behaviour which leads to productivity, effectiveness, efficiency and organisational citizenship. At the same time, it also helps to reduce dysfunctional behaviour at workplace like absenteeism, employee turnover, dissatisfaction, tardiness, etc.

The study of organisational behaviour is the most important contributor towards building managerial skills. The major goals of organisational behaviour are: understanding behaviour, predicting behaviour and controlling behaviour. Organisational behaviour basically deals at individual level, group level, and organisational level. However, one more dimension has been added to it, i.e., integrative dimension, because the study of impact of environmental factor on behavioural aspect of organisation is gaining more importance.

5.0 SUMMARY

In this unit, you have learnt the following:

- Concept of Organisational Behaviour
- Genesis of Organisational Behaviour
- Needs for the Study of Organisational Behaviour
- Goals of Organisational Behaviour
- Traditional and New Approaches to Organisational Behaviour
- Individual Perspective
- Small and Large Group Perspective
- Organisational Perspective
- Integrative Perspective

6.0 TUTOR MARKED ASSIGNMENT

1. What do you mean by organisational behaviour? Explain the meaning and scope of organisational behaviour.
2. How has study of organisational behaviour integrated concepts from various fields of knowledge?
3. Explain individual perspective, group perspective, organisational perspective, and integrative perspective of organisational behaviour.

7.0 REFERENCES AND FURTHER READINGS

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UNIT 2: A CONCEPTUAL MODEL OF HUMAN BEHAVIOUR

Table of Contents

1.0	Introduction
2.0	Objectives
3.0	Main Content
3.1	Models of Human Behaviour
3.2	Freudian Psychoanalytic Model
3.2.1	The I.D.
3.2.2	The Ego
3.2.3	The Super Ego
3.2.4	The Freudian Model in Perspective
3.3	Existentialistic Model
3.3.1	The Impact of Existential Model
3.4	Cognitive Model
3.5	Behaviouristic Model
3.6	The Goals of Organisational Behaviour Model
3.7	A Conceptual Framework for the Study of Organisational Behaviour
4.0	Conclusion
5.0	Summary
6.0	Tutor Marked Assignment
7.0	References and Further Readings

1.0 INTRODUCTION

The purpose of this unit is to review the various models of human behaviour and develop a model for organisational behaviour. Particular attention is given to the Psychoanalytic, existentialistic, cognitive and behaviourist models.

2.0 OBJECTIVES

At the end of this unit, you should be able to state and discuss the Models of Human Behaviour and the Freudian Psychoanalytic, existentialistic, cognitive and behaviourist models.

3.0 MAIN CONTENT

3.1 Models of Human Behaviour

Before discussing this topic, perhaps it is necessary to ask the following questions so as to give learners a better understanding of issues that might be raised:

- What separates human from animal or other objects in the universe
- What are people really like?
- What is their real nature?

These questions have been debated since the beginning of civilization. Philosophers, politicians, scientists, managers and the person on the street have begun and still are preoccupied with these questions. Are people good or evil, rational or irrational, free or determined? The true nature of human behaviour is largely undefined and still open for discussion and research. Is nothing known about human behaviour? Whether scholar or pay person, everyone has had abundant experience in living and dealing with, reading about and observing fellow human beings.

Everyone has a definite opinion about common-sense approaches to human behaviour, and when these are put to test of science, they are often proved wrong. The following models take an ***understanding, not an evaluating approach to the overall nature of human behaviour.*** These models serve as important background information for developing a specific model for organisation behaviour.

3.2 Freudian Psychoanalytic Model

The Freudian approach relies on a psychoanalytic or conflict model of humans. The conception of people being in constant inner conflict is one of the oldest explanations. The conflict model portrayed primitive – constant inner struggle between good and evil.

Good (angels) and evil (devils) were believed to be competing for the domination of the body and soul. Under this model, individuals are merely innocent by standards and the situation completely overwhelms them. Obviously, the primitive good-evil conflict model cannot be substantiated by scientific methodology.

A meaningful, comprehensive and systematically-based conflict model stems from the theories of Sigmund Freud. These theories can be summarised into what can be called the ***Psychoanalytic model.*** ***Although, Freud is most closely associated with the model, others such as Carl Jung, Alfred Adler, Karen Honey and Eric From, made additional contributions and extended the model.***

Clinical techniques were used primarily to develop the psychoanalytic model. Though the clinical techniques of free association and psychotherapy. Freud noted that his patient's behaviour could not always be consciously explained. This clinical finding led him to conclude that the major motivating force in human is unconscious in nature. The personality structure can be explained within the unconscious framework. Freud's belief was that of three interrelated, but often conflicting psychoanalytic concepts, namely: the ID, the Ego and the Super Ego.

3.2.1 The I.D.

The ID is the core of the unconscious. It is the unleashed, raw, primitive, instinctual drive of the Freudian model. The ID, constantly struggling for gratification and pleasure, is manifested mainly through the libido (sexual urges) or aggression. The libido strives for sexual relations and pleasure, but also for warmth, food and comfort. Aggressive impulses of the ID are destructive and include the urges to fight, dominate and generally destroy. In a conflict sense, the ID incorporates life instincts that compete with its death instincts. As individuals develop

and mature, they learn to control the ID, but even then, it remains a driving force throughout life and an important source of thinking and behaving.

3.2.2 The Ego

Whereas the ID represents the unconscious, the ego is the conscious. It is the logical part of the Freudian model and is associated with the reality principle. The ego keeps the ID in check through the reality of the external environment. The ego is constituted so that it can interpret reality for the ID through intellect and reason. Instrumental behaviours such as: dating or looking for food are developed by the ego to satisfy the needs of the ID.

However, many conflict situations arise between the ID and the Ego because the ID demands immediate pleasure while the ego dictates denial or postponement to a most appropriate time and place. In order to resolve the conflict, the ego gets support from the superego.

3.2.3 The Super Ego

The superego is the third elements of the Freudian model. It can be best be depicted as the conscience. The superego, as the conscience, provides the norms that enable the ego to determine what is right or wrong. Absorption of the cultural values and morals of a society develop from the conscience. Accordingly, the parents have the most influence on the development of the superego.

The superego aids the person by assisting the ego to combat the impulses of the ID. However, in some situations, the superego can also be in conflict with the ego. An example is the ~~where the~~ reality-seeking ego violates the conscience. The inevitable struggles between the ID, ego and superego cause this to be considered a conflict model of behaviour.

3.2.4 The Freudian Model in Perspective

Freud's model is characterised by the conflicting personality constructs (ID, Ego, Superego) and unconscious motivation. Psychological adjustment occurs only when the ego properly develops to resolve the conflicts stemming from the ID and Superego. The ego concept implies that humans are rational, but the ID, the Superego and unconscious motivation give the impression that humans are very irrational.

In the Freudian model, behaviour is based on emotion. If the person cannot control the ID, the person is an aggressive, pleasure-seeking menace to the society. On the other hand, if the ID is too severely checked by the Ego, the person is equally maladjusted. The person may have an abnormal sex life and be extremely passive (frigid). Moreover, if the Superego is very strong, the result may be acute anxiety and guilt.

Criticism of Freudian model is not based on empirical verifiable facts because the psychoanalytic elements are largely hypothetical constructs and not measurable, observable items for scientific analysis and verification.

3.3 Existentialistic Model

Existentialism, broadly defined as the search for meaning, is based on the analysis of existence and being. The existentialistic model is not a behavioural science. Its root lies more in the realm of philosophy and literature and not scientifically based. Among the philosophers with an existentialist orientation are Martin Heidegger, Martin Huber and Jean-Paul Satre. The best known American spokesman has been Rollo May, Mayland Satre in particular, have been critical of the scientific approaches that are employed to gain an understanding of humans. They are afraid that a scientific behavioural analysis may destroy or lose sight of the person's true nature or Being. Existentialists see a breakdown of traditional norms and ties that individuals have traditionally had with the society. For example, Rollo May views people as suffering from unconstructive anxiety. He defines "unconstructive" or "neurotic" anxiety as the "stringing of consciousness, the blocking off of awareness, and when it is prolonged, it leads to a feeling of depersonalization and apathy", which is the state, to a greater or lesser degree, of most who have lost, or never achieved the experience of their own identity of the world. In modern times, the individual is faced with a very large, urbanized environment. The existentialists believe that depersonalizing effects of this environment force individuals to determine their own destiny.

People shape their own identity and make the "existence" meaningful and worthwhile to themselves. This process is accomplished through the individual's experience of being, in Coleman's views, this being as a matter of commitment to increased self-awareness and self direction to true communication with others, to concern with values and evaluation, and to acceptance of the responsibility for making choices and directing his own destiny.

The emphasis attached to self-awareness and action in the existential scheme is different from that in the psychoanalytic model. Existential people seek self-awareness, direction and control. Their existence in a depersonalized environment is given by what they make of this existence. The existentialist approach maintains that people have freewill to chart their existence and being.

3.3.1 The Impact of Existential Model

The existentialist approach becomes very relevant in a society suffering from environmental and moral decay. In a world that is overpopulated, undernourished, polluted, ravaged by war and crime with poverty rampant amidst affluence and material excess, it is extremely difficult for an individual to carve out a meaningful existence. Similarly, on a micro level, human behaviour in organisations seems appropriate for existentialist study and analysis. Determining a meaningful occupational existence may be a severe challenge for an individual faced with the characteristics of the modern formal organisation.

3.4 Cognitive Model

The cognitive model came about as a reaction to the other models of human behaviour. In particular, pioneering psychologists such as Edward Tolman became disenchanted with the psychoanalytic and early behaviouristic models. They felt that the Freudian conception placed too much emphasis on negative, irrational and sexually-motivated behaviour.

The cognitive model emphasised the positive and freewill aspects of humans. The work of Tolman, in particular, can best demonstrate the cognitive approach. He felt that behaviour was purposive. It was directed toward a goal. In his Laboratory experiment, he found that animals learned to expect that certain events will follow one another. For example, rats learned to behave if they expected food when a certain cue appeared. Thus, to Tolman, learning consisted of the **expectancy that a particular event will lead to a particular consequence.** This expectancy concept, of course, implies mentalistic phenomena.

In other words, the cognitive explanation implies that the organism is thinking about or is conscious of or aware of the goal. Behaviour is based on these cognitions.

3.5 Behaviouristic Model

The roots of behaviouristic school of thought can be traced to the work of Pavlov and Watson. These pioneering behaviourists stressed the importance of dealing with observable behaviours instead of the elusive mind. They used classical conditioning experiment to formulate the stimulus response (S-R) explanation of human behaviour. Both Pavlov and Watson felt that behaviour could be best understood in terms of S-R. A stimulus elicits a response. They concentrated mainly in the impact of the stimulus and felt that learning occurred when the S-R connection was made. Modern behaviourists mark its beginning with the work of B.I. Skinner. Skinner is generally recognised as the most influential living psychologist. He felt that the early behaviourists helped to explain respondent behaviours but not the more complex operant behaviour. In other words, the S-R approach helps to explain physical reflexes e.g. when stuck by a pin (S), the person will flinch (R).

For Skinner, behaviour is a function of its consequences. It is important to understand that the behaviouristic model is environmentally based. It implies that cognitive processes such as thinking expectancies and perception do play a role in behaviour. Nevertheless, as the cognitive model has been accused of being mentalistic, the behaviouristic model has been accused of being deterministic.

3.6 The Goals of Organisational Behaviour Model

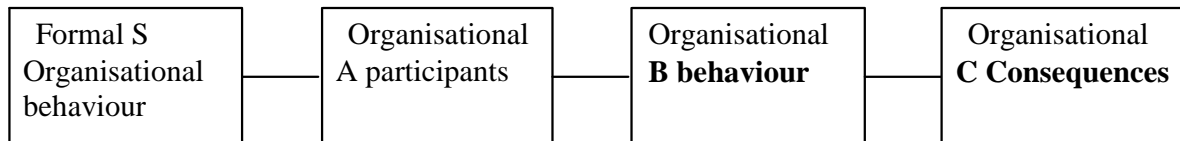
On the basis of Thorndike's classic law of effect, the behaviourist model would say that organisational behaviour followed by a positive or reinforcing consequence will be strengthened and increase in subsequent frequency.

In other words, organisation behaviour can be predicted and controlled on the basis of managing the contingent environment. Both the internal causal factors which are cognitively oriented and the external environmental factors, which are behaviouristically oriented are important to the understanding, control and prediction of organisational behaviour.

3.7 A Conceptual Framework for the Study of Organisational Behaviour

The S-O-B-C model can serve as the conceptual framework for the study of organisational behaviour. The model attempts to synthesize the cognitive and behaviouristic explanations of

human behaviour. In a very simplified summary, the S-O represents the causal, mainly cognitive factors in behaviour and the B-C represents the modern behaviouristic emphasis on the role that consequences play in behaviour. The S-O portion of the model primarily contributes to the goal of understanding organisational behaviour and the B-C primarily contributes to the goals of prediction and control of organisation's behaviour.



4.0 CONCLUSION

The Freudian Psychoanalytic, existentialistic, cognitive and behaviourist models just discussed take an understanding, not an evaluating approach to the overall nature of human behaviour. These models served as important background information for developing a specific model for organisation behaviour.

5.0 SUMMARY

In this unit, we have discussed Freudian Psychoanalytic, existentialistic, cognitive and behaviourist models.

6.0 TUTOR-MARKED ASSIGNMENT

What Separates Human from Animals ?

What is their Nature

7.0 REFERENCES/FURTHER READINGS

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UNIT 3:IMAGES AND PERCEPTIONS OF AN ORGANISATION AS AN OPEN AND SOCIAL SYSTEM

Table of Contents

- 1.0 Introduction
- 2.0 Objectives
- 3.0 Main Content
 - 3.1 Boulding's Typology
 - 3.2 Link to Organisation Theory and the Social Sciences
 - 3.2.1 The inadequacy of Clockwork Assumptions of Old Paradigm Models
 - 3.2.2 The Suitability of Clockwork Assumptions
 - 3.3 Summary Explanatory Model and Three Hard Factors of a Social System
 - 3.4 Boulding's Social System and Schools
 - 3.4.1 Classroom and Meeting Theory
 - 3.4.2 Classroom and Meeting Practice
 - 3.5 Thinking about Organizations as Open Systems'
 - 3.5.1 Defining "Open Systems"
 - 3.5.2 The; Environments of Open Systems
 - 3.5.3 The Different Components of Organizations
- 4.0 Conclusion
- 5.0 Summary
- 6.0 Tutor Marked Assignment
- 7.0 References and Further Readings

1.0 INTRODUCTION

Three facts of soft social systems are identified, intended to inform instructional designers of organizational change efforts. The facts are gleaned out of an elaboration of Boulding's nine-level typology of system complexity. The need for these hard facts is great, given the failure of many well-intentioned reform efforts to positively impact on schools and organisations (Gabriele,).

In brief, the three facts are as follows. First, things are designable – mass, space, time and **organisation goals (cf. Boulding's levels 1 – 3)**. **Second, people are not designable. A person's** behaviour is determined by internally prescribed criteria (level 4: cell), generally predictable by Maslow's hierarchy of human needs, but increasingly variable with each individual/person/system member (e.g. employee, student, teacher, parent) because people differ (level 5: plant, genetic variety). They act according to their own immediate perceptions (level 6: animal, sensory preceptors), and their own long term reflections and choices (level 7: human, symbol processing). The third fact is: It is natural, biological, and scientific law that people will behave **to meet their individual and personal needs before their social system or organisation's needs** (levels 8 and 9). Level 8 systems (social) are optional; level 7 functioning is mandatory. A person can transfer schools (level 8), but cannot transfer bodies (level 7).

Implications are that effective instructional and organisation designers put all their attention to the designable components of a social system: space (e.g. buildings, rooms, bookshelves, books and equipment), time (e.g. school and classroom routines, schedules and calendars), school and ***classroom goals (e.g. classroom projects, school mission statements, etc.); and ratios and flows*** of resources. Effective designers fashion these designable components as attractors, to attract system members.

These attractors function to allow system members to meet individual/ personal goals as first priority, and organisation goals as second priority. Contribution to systemic change is a new systemic approach, referred to and named here as systemic renewal. Systemic renewal is defined here as systemic change efforts with goals of facilitating each system member to learn and grow at his or her own pace. The ISSS Morning Round Table is a practice that corresponds to the goals of systemic renewal.

2.0 OBJECTIVES

At the end of this unit, you should be able to:

- (i) describe Boulding's Typology;
- (ii) explain the link of this typology to organisation theory and social sciences;
- (iii) state the inadequacy of Clockwork Assumptions of Old Paradigm Models and the suitability of Clockwork Assumptions;
- (iv) discuss the summary explanatory model and Three Hard Factors of a Social System;
- (v) explain Boulding's Social System and Schools, classroom and meeting theory, classroom and meeting practice;
- (vi) describe what is meant by 'Thinking about Organizations as Open Systems';
- (vii) define "Open Systems", list the different components of organisations and describe environments of open systems.

3.0 MAIN CONTENT

In spite of certain progress in equity and technology in modern public education, our public schools and institutions are in decline – a decline that is sometimes accelerated, rather than arrested, by well-intentioned reform efforts. Our school decision makers and stakeholders do not agree with, or do not understand, each others' solutions. Some are stumped and (perhaps most wisely) offer no solutions. Others propose conflicting or counterproductive solutions.

Science offers useful laws and principles for how "things" behave, or the "hard" sciences, such as chemistry, physics, and mathematics. For example, we know how to make water of one part hydrogen and two parts oxygen. We know about the laws of gravity. We know that two and two make four.

Science offers conflicting principles and models for how "people" behave - in the "soft" sciences such as psychology, management, education, sociology; as well as in "soft" social systems such as schools and workplaces. On one end of a continuum, there are old paradigm directive, bureaucratic, and top down models, which assume a soft system is predictable and controllable.

On the other end, there are new paradigm cooperative, laissez-faire, and bottom up models which assume social systems are unpredictable and uncontrollable.

With these conflicting approaches, it is no wonder that current change efforts do not help our schools. A better understanding of the inner workings of schools, workplaces, and other social systems is needed. In other words, we need to know the hard facts of soft social systems. Moreover, “we” means scientists, politicians, educators, employees, managers, parents, everyone. The hard facts need to be clear and evident to every decision maker and stakeholder in schools and workplaces.

Method

To clarify the hard facts of soft systems, Kenneth Boulding’s typology of system complexity is presented and elaborated. The model is then linked to existing organisation theory. Then, three hard facts drawn from the elaborated model are presented and illustrated with practical examples from schools.

3.1 Boulding’s Typology

Boulding, a cofounder of general system theory and “systems” thinking, looked to nature to uncover the hard facts of soft social systems. He ranked the systems of the world from simple to complex in a nine level taxonomy. Building’s typology (1956) has been described as “convincing” (Checkland, 1981, p. 106) and “illuminating” (Scott, 1992, p. 78). His nine levels are:

1. **FRAMEWORKS:** systems composed of static structures, such as the arrangements of atoms in a crystal or the anatomy of an animal.
2. **CLOCKWORKS:** simple dynamic systems with predetermined motions, such as the clock and the solar system.
3. **THERMOSTATS:** cybernetic systems capable of self-regulation in terms of some externally prescribed target or criterion, such as a thermostat.
4. **OPEN-SYSTEMS:** systems capable of self-maintenance based on a throughput of resources from its environment, such as a living cell.
5. **BLUE-PRINTED GROWTH SYSTEMS:** systems that demonstrate division of labour, that reproduce not by duplication but by the production of seeds or eggs containing pre-programmed instructions for development, such as the acorn-oak system or the egg-chicken system.
6. **INTERNAL-IMAGE SYSTEMS:** systems capable of a detailed awareness of the environment through sense organs (eyes, ears, etc). Information is received and organised into an image or knowledge structure of the environment as a whole, a level at which animals

function. At this level, the image or perception intervenes between the stimulus and response.

7. **SYMBOL-PROCESSING SYSTEMS:** systems that use language and other symbols, are self-conscious, and can contemplate the past, present, and future. Humans function at this level.
8. **SOCIAL SYSTEMS:** multi-cephalous systems comprising actors functioning at level 7 who share a common social order and culture. Social organisations operate at this level.
9. **TRANSCEDENTAL SYSTEMS:** systems composed of the “absolutes and the inescapable unknowables”. (Boulding, 1956).

3.2 Link to Organisation Theory and the Social Sciences

Boulding’s typology is clarifying to social science/organisation theory (illustrated in figure 1). Boulding notes that “most of the theoretical schemes of the social sciences are still at level 2 [clockworks], just now rising to level 3 [thermostat systems], although the subject matter clearly involves level 8 [social Systems] (Scott, 1992, p. 78).”

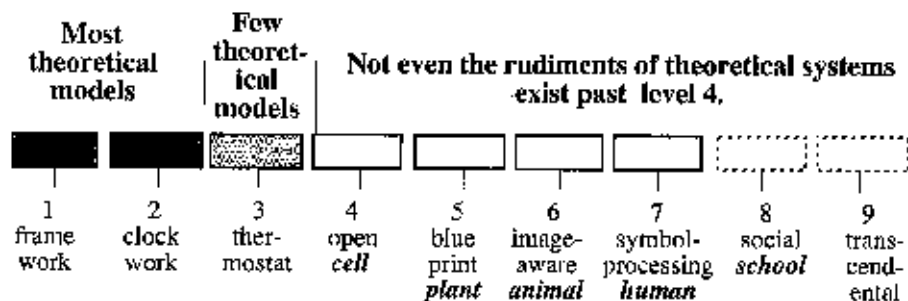


Figure 1 Boulding's 9 Systems Levels Linked to Organization Theory

Figure 1: Boulding’s 9 Systems Levels Linked to Organisation Theory

Figure 1 also introduces coding to illustrate the increasing unpredictability of Boulding system levels. Levels 1 and 2 are dark gray boxes (designable, externally regulating to externally prescribed criteria). Level 3 is a light gray box (self-regulating to externally prescribed or designable criteria). Levels 4 – 7 are clear boxes (undesignable, self-regulating to internally prescribed criteria). Levels 8 – 9, clear boxes with dotted-line boundaries (undesignable and intangible).

Boulding’s typology clarifies two overarching principles which unify the conflicting “either-or” perspectives of organisation theory and clarify the weaknesses and strengths and of the top-down governing bureaucratic model. His typology clarifies both the inadequacy and suitability of the top-down governing bureaucratic model.

3.2.1 The Inadequacy of Clockwork Assumptions of Old Paradigm Models

The fundamental flaw of current old paradigm bureaucratic models lies in the assumption of predictability and stability or “clockwork” assumptions, and thus the lack of distinction between processes that Boulding calls clockwork (predictable) and nonclockwork (variable, intangible). Our current work and educational reform efforts are based on, or maintain traces of, these unexamined assumptions. For example, in the new paradigm term “cooperative learning”, “cooperative” means operating jointly, but the more common meaning of cooperative is obedient (an old paradigm virtue).

3.2.2 The suitability of Clockwork Assumptions

While the clockwork assumptions underlying bureaucratic systems are known to be inadequate, Boulding remarks that “much valuable information and insights can be obtained by applying low-level systems [frameworks, clockworks] to high-level subject matter [humans, social, and transcendental systems]” (Scott, 1992, p. 78). The reason for this is that each of the Boulding’s system levels incorporates all those below it (illustrated in Figure 2).

Thus, proponents of decentralization and self-regulation who ignore the need for framework and clockwork subsystems are also short-sighted. The fully-specified new paradigm must subsume characteristics of the old; it must be joint-optimizing for both stability and flexibility. More specifically, Boulding’s model distinguishes between subsystems of external and internal agency to explain what can be predicted or externally designed and controlled, and what is controlled by internal agency or criteria.

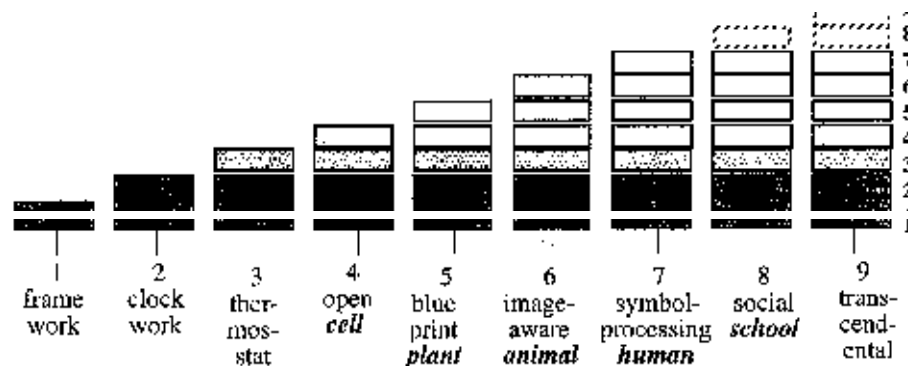


Figure 2: A View of Boulding’s Nine Systems with Their Levels of Complexity

Boulding’s explanation of the inadequacies and suitabilities of the top-down governing model is clarifying. The old question for organisational change theorists and practitioner was: “Which is correct? top-down or laissez-faire?” It is shown to be incorrect. The new question is: “Which parts of an organisation need top-down control, and which parts need bottom-top flexibility?”

To illustrate both Boulding’s system types and the increasing complexity, figure 3 puts figure 1 and 2 side by side. Figure 1 is usefully visualized as a top view of Boulding’s nine system types. Figure 2 as a front view.

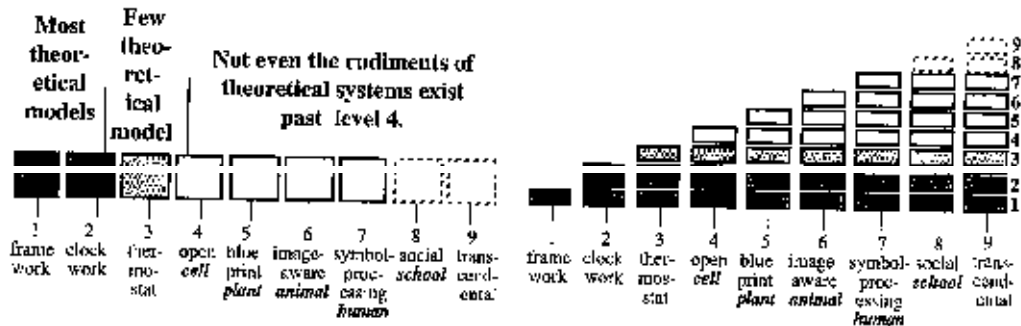


Figure 1: Theory (also a Top View 9 Systems) Figure 2: A Front View 9 Systems

Figure 3: Two Views of 9 Systems of the World according to Boulding

3.3 Summary Explanatory Model and Three Hard Factors of a Social System

It is commonly known that the more complex the system, the more multiplicity in agency, causes, or factors contributing to change. However, the Boulding-elaborated model adds considerable clarification. Briefly, illustrated in figure 4, the designable elements of a social system are indicated with arrows, along the bottom right side of the figure. The other dimensions are not designable, as behaviour depends on the individual which is self-regulating and self-creating according to internally prescribed criteria. That is, individual needs and goals (centre figure) influence, and are influenced by, individual invariably, perceptions, choices.

In fact, figure 4 allows us to identify three hard facts of soft systems, discussed next.

First, the model uncovers two different sites of agency: external (i.e. designable) vs. internal (i.e. where external design efforts are unfitting). The external agents that can be input into an organisation, the factors of the first three levels, were identified by Checkland (1981) as spatial traits (i.e. length and mass), temporal traits (i.e. time), and information (i.e. images, ideals, words). The identification of the factors of agency at levels 4 and higher was unaccomplished (Checkland, 1981) until recently (Gabriele, 1997).

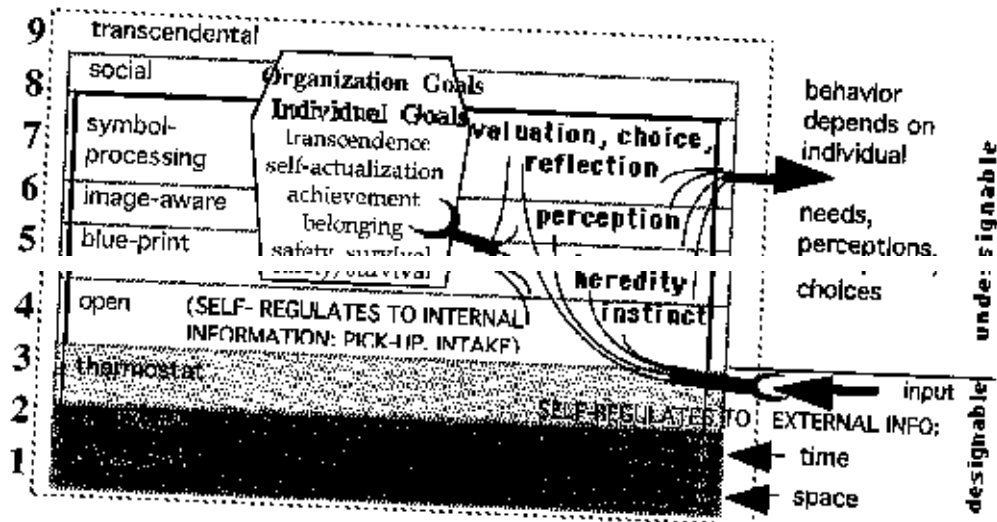


Figure 4: The Power and Agency within a Social System

Figure 4: The Power and Agency within a Social System

- Fact 1: THE DESIGNABLE COMPONENTS OF A SOCIAL SYSTEM ARE MASS/SPACE, TIME, GOALS, RATIOS AND FLOWS. The only directly designable features of a social system are found in Boulding's first three levels: (use of) space (level 1), (use of) time (level 2), organisation goals (cf. thermostat settings), ratios (cf. size of heater, room with relation to number of people, etc.) and flows (distribution of heat/resources).

From the bottom in Figure 4, levels 1 and 2 represent the designable components: space and time. Level 3 illustrates that the thermostat setting (input) is externally designable, and the system is self regulating to that external criteria. (Black arrows indicate that these components are external designable).

- Fact 2: COMPONENTS THAT DEPEND ON INDIVIDUAL BEHAVIOUR MUST BE CREATED AS "ATTRACTORS". Components of a social system dependent on individual behaviour, learning and creation are to be designed as attractors – designed to maximize opportunities for all people to meet their own self-determine needs (level 4) variable from person to person (level 5) according to each person's own immediate perceptions (level 6) and each person's long term perceptions, goals, and choices (level 7).

The Boulding-elaborated model explains the attributes of internal individual agency and motivation (or factors that influence individual behaviour) component by component, or level by level, as systems increase in complexity (levels 4 – 7 in Figure 4). The 1997 *Chapter 1* may be the first to aim to identify factors of agency at levels 4 and higher as internally located and prescribed, and to name the specific new factor that emerges at each new higher level. Specifically, individual human behaviour (which depends on internally prescribed

criteria) is generally predictable as instinct or basic survival needs in response to the environment, (level 4: cell) followed (at least in humans) by needs for safety, belonging, achievement, self-actualization, and transcendence (Maslow in Valle, 1989). However, predictability decreases by individual human variability which may be inherent (level 5: genes); due to individual perceptions through the five senses, (level 6: images); and long term perceptions, reflections and choices due to the ability to read and reflect on symbols (words, numbers and more) over time (level 7: symbol processing). To avoid or minimize these principles is not unlike avoiding or minimizing the accepted laws of physics.

- **Fact 3: DESIGNABLE ATTRACTORS: DEFAULT SETTING = INDIVIDUAL GOALS: Level 7 or individual/personal goals are first priority. If level 8 organisation goals are in conflict with individual goals, people will abandon (openly or covertly) the goals of the organisation and use their energy for personal goals.**

The Boulding-explanatory model in Figure 4 clarifies that needs and goals of individual humans are primary and that the needs and goals of organisations are secondary. A level 7 system, an individual human (thick solid line boundary in Figure 4), is a natural, biological system with permanent physical boundaries. If level 7 needs are not met, death or illness occurs. A level 8 system, an organisation (dotted-line boundary in Figure 4), is a designable, interchangeable system with impermanent, intangible boundaries. If social system needs are not met, the social system may fail, (divorce, business failures, etc.) but the individuals remain alive. If level 7 systems (people) find their level 8 needs (organisation) are not being met, they can transfer to a new social system. Thus, it is natural that the individual ~~will~~ ^{must} strive to meet his/her basic needs before meeting organisation needs. For example, in unhealthy organisations, rather than using their energy for the goals of the organisation (a level 8 goal), people may use their energy towards personal goals (level 7 goals). The advantaged individuals will continue working towards personal promotions. The disadvantaged will work towards survival and safety; they will tell their supervisors what they want to hear, if their survival depends on it.

Regarding transcendence, Boulding's level 9, there are, of course, individuals whose personal needs are very small, whose work is transcendent in spite of the conditions they (choose to) live in. An excellent modern example is Mother Theresa. More mundane examples are the many educators and teachers who remain creative in classrooms and schools in spite of the increasing pressures in urban education. While it is admirable and predictable that humans can and do transcend their conditions, it is clearly not an argument for keeping conditions inadequate when awareness has been raised. In fact, McPherson illuminates the underlying principle here, claiming that "neither the few destructive laggards nor the handful of brilliant performers" are the key to organisation health. Instead he urges attention to the "care, feeding, and unshackling of the average man" (Peters, 1982). The fact that humans can and do transcend their conditions is an argument for the value of design driven by ideals. In other words, "problem-solving" projects and teams should be revised to be "ideal-seeking".

3.4 Boulding's Social System and Schools

3.4.1 Classroom and Meeting Theory

The identification of external vs. internal agency and designable vs. attractors also leads to a better understanding of the instructional/learning processes that occur in classrooms and meetings. There are two processes: that of the teacher or facilitator: DISPLAY or INPUT (arrows in figure 5); and the other is that of the learner: PICKUP or INTAKE (pickup mechanisms in figure 5). Thus, information cannot be installed (input), but is “picked up” by learners. Arrows pointing left indicate what can be designed or controlled in an organisation by an external agent (input). Pickup mechanisms show which agency lies within the individual person. Pickup depends on (1) learner readiness: prior knowledge (Smith, 1983) and task difficulty (Neisser, 1976), (individual ability to process the symbols), (2) learner perception from among competing stimuli (Neisser), (3) learner motivation (Maslow in Valle) from among competing goals. A third process, formerly considered response, is better conceptualized as CREATION (arrow pointing right in figure 5); as each individual learner will have a response or behaviour unique to his/her needs, goals, perceptions, and choices.

Figure 5 shows five models of the instructional/learning process that have been clarified by Boulding's systems thinking and the concepts of display and pickup. Figure 5A: The old paradigm assumed that knowledge was installed in students (or employees). In fact, in the 1700's, schools had students memorize words and passages.

Figure 5B: The new paradigm is not fully specified, students are active participants in their learning, but the teacher's (employer's) role is unclear.

Figure 5C: Boulding's “systems” model reveals that the teacher's role is display, the student's pickup.

Figure 5D: Effective teachers, facilitators, and managers will provide a rich display to increase opportunities for pickup. They will also provide opportunities for creative response and creation.

Figure 5E: Moreover, teachers are learners too, and students need to practice, experience and develop what they learn.

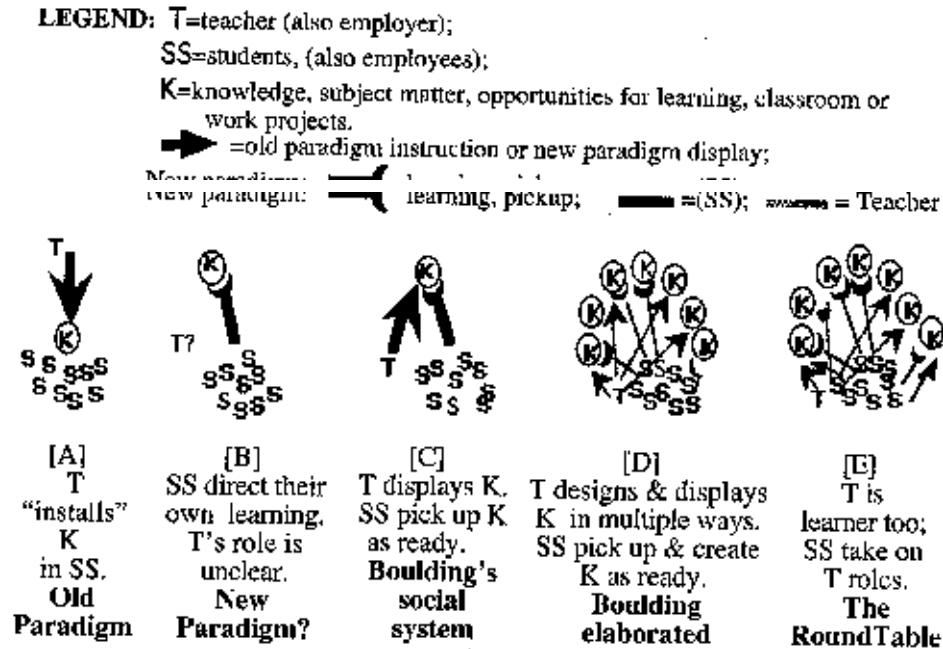


Figure 5: Five Representations of large/whole-group learning (e.g. classroom, staff development)

3.4.2 Classroom and Meeting Practice

New models of the new paradigm have been emerging. Cooperative learning and whole language are among the most well known for classrooms; participatory management and dialogue for professional meetings. These new models have their drawbacks, though, as they are more difficult to implement. Moreover, scholars and practitioners frequently take conflicting positions, arguing for either directive or cooperative models. However, current research is finding that learner-centered strategies are most effective when used along with direct instruction and other methods. An intriguing new practice is the RoundTable, informed by Boulding's typology and systems thinking. It is an example of Figure 3E. In classroom RoundTable sessions, the teacher turns the activity over to the learners, who take turns leading the activity. The initial display is modified by consensus by the students and teacher. The professional meeting RoundTable session is a real-time example of participatory management, as the facilitator roles are distributed and rotating among all willing participants.

At the level of the organisation, a current model for organisation change is systemic change. Systemic change is whole organisation change as opposed to part organisation change (or piecemeal change). Systemic change is difficult to implement, as it requires all members of the organisation to be at a similar readiness for change. Moreover, as systemic solutions are currently conceptualized, they are costly (Helfand, 2005). For these reasons, and with the new understandings of the hard facts of soft systems gained from this paper's elaboration of Boulding's typology of system complexity, the concept of systemic renewal is being proposed.

Systemic renewal refers to a systemic change effort designed to allow each system member to learn and grow at his or her own pace.

The GEMS RoundTable is a specific practice that corresponds to the goals of systemic renewal. It is a large group learning/discussion activity designed to ensure equal participation. In schools, it is most frequently a 30-minute supplementary activity for lesson/agenda delivery. It is a tool for systemic renewal because it serves all members of the organisation in one of their existing classrooms or meetings. The ISSS Morning RoundTable is an application of the GEMS RoundTable.

3.5 Thinking about Organisations as “Open Systems”

3.5.1 Defining “Open Systems”

- Any organisation can be described as a “system”.
- A system is a group of components (or parts) that interact with each other and are dependent on each other to serve a common goal.
- Organisations and other social systems can be “closed” or “open” systems.
- Closed systems have boundaries that cannot be penetrated by new information or ideas.
- Open systems have permeable boundaries (or boundaries which allow things to pass through them).
- Open systems interact with their environments and constantly let in new information and ideas so that they can continue to grow.

3.5.2 The “Environments” of Open Systems

- Every organisation exists within the surrounding environments. The organisation’s environments consist of the following components:
- Political and Legal Environment – The government processes, laws, regulations and political actions that have influence over what the organisation can and cannot do.
- Economic Environment – The economic conditions that will affect the organisation – e.g. whether there is money available in the country to invest in the organisation, whether the organisation is able to pay employees reasonable salaries, whether other countries or NGO’s are willing to contribute funds.
- Technological Environment – New developments in technology and the availability of new or current technology (e.g. computers, access to the Internet) that will change or support the work of the organisation.

- **Social and Cultural Environment** – The demographic factors (e.g. the racial, religious or ethnic backgrounds of people living in a particular area, the numbers of people living there, educational levels, socio-economic levels, etc.) and cultural values that will have an effect on whether the organisation can employ the kinds of people it needs and whether or not people will buy or be able to use the organisation's products or services.
- **Physical Environment** – The actual physical environment in which the organisation is located and the effect that this environment has on the organisation's work (e.g. enough space in which to do the work, the necessary facilities, a location that employees can get to easily and safely).
- **Sector Trends and Stakeholder Requirements** – The standards and practices that are considered appropriate for the type of work that the organisation performs; what other similar organisations are doing; what customers or other stakeholders are requiring and how these standards and requirements affect the organisation's performance.

o Examples of different kinds of organisation stakeholders:

Suppliers of products or services to the organisation
 Customers or users of the organisation's products or services
 Organisation managers
 Organisation employees
 Regulators and auditors who oversee the organisation's performance
 Investors and donors in the organisation
 Distributors of the organisation's products or services
 Community members who live near the organisation.

3.5.3 The Different Components of Organisations

Do you remember the definition of an organisation as an "open system" on the first page? That is, a group of components or parts which interact with, and are dependent on, each other to serve a common goal. One of the ways to think about the different parts of the organisation is as follows:

- **Core Work Processes** – The actual facilities and processes that the organisation uses to do its work, including its buildings, equipment, information technology and work procedures.
- **Strategy** – The ways in which the organisation defines and plans its work, including its mission, vision, value statements, main products or services it offers and how it intends to grow in the future.
- **Leadership and Culture** – The people who serve in the top positions of the organisation and are responsible for planning and managing the organisation's strategy and for creating an organisation culture that will foster employee commitment to, and support for, the organisation's work.

- Human Resources – The people who are recruited, hired, trained, promoted and rewarded for performing the work of the organisation.
- Coordinating Processes – The processes used to plan and scheduled work, manage information flow and communications, make decisions, solve problems and continuously improve the organisation's operations.
- Structure – The way in which the work of the organisation is organised in terms of functional divisions, job classifications, responsibilities and authorities, reporting relationships whether work is centralized or decentralized.
- Performance and Reward Systems – The standards and measurements used to evaluate work performance, and the formal and informal ways in which job performance is recognised and rewarded.

4.0 CONCLUSION

We have identified nine levels of Boulding's typology as they affect organisational systems as follows:

- (1) Frameworks;
- (2) Clockworks;
- (3) Thermostats;
- (4) Open-systems;
- (5) Blue-printed growth systems;
- (6) Internal-image systems;
- (7) Symbol-processing systems;
- (8) Social systems; and
- (9) Transcendental systems.

5.0 SUMMARY

In this unit, we have:

- described Boulding's Typology;
- explained the link of this typology to organisation theory and social sciences;
- stated the inadequacy of Clockwork Assumptions of Old Paradigm Models and the suitability of Clockwork Assumptions;
- discussed the summary explanatory model and Three Hard Factors of a Social System;
- explained Boulding's Social System and Schools, classroom and meeting theory, classroom and meeting practice;
- described what is meant by 'Thinking about Organizations as Open Systems';
- defined "Open Systems", list the different components of organisations and describe environments of open systems.

6.0 TUTOR MARKED ASSIGNMENT

Explain the Link of this Typology to Organization theory and Social Sciences

7.0 REFERENCES AND FURTHER READINGS

French, W.L. Kast, F .E .& Rosenzweig, J . E. (1985) . Understanding Human Behaviour in Organization, New York : Harper and Row.

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UNIT 4: ORGANISATIONAL GOALS

Table of Contents

1.0	Introduction
2.0	Objectives
3.0	Main Content
3.1	Developing SMART Goals for your Organisation
3.1.1	Defining “Goal”
3.1.2	Setting Goals
3.2	Goal
3.2.1	Goals and Types of Goals
3.2.2	Short Term Goals
3.2.3	Personal Goals
3.2.4	Goal Management in Organisations
3.3	Marketing Planning
4.0	Conclusion
5.0	Summary
6.0	Tutor Marked Assignment
7.0	References and Further Readings

1.0 INTRODUCTION

Organisational goals are derived from the mission; corporate strategy is derived from the organisational goals.

Goals must specify the end results that are desired, that are measurable and within a particular time.

2.0 OBJECTIVES

At the end of this unit, you should be able to:

- (i) define goal and describe how a goal is set;
- (ii) describe goal, list and explain the types of goals;
- (iii) explain the use of goals in marketing planning.

3.0 MAIN CONTENT

3.1 Developing SMART Goals for your Organisation

“You’ve got to be very careful if you don’t know where you’re going, because you might not get there” – Yogi Berra.

“Goal setting is one of the basic tools used by organisations to assist in setting a direction and achieving it. Successful organisation set long and short terms goals for service development,

improving quality, reducing errors, becoming more customer-focused, better internal and public relations”. – Jeffery Davis, Managing and Achieving Organisational Goals.

Individuals may set goals to achieve a personal objective such as career advancement. This publication is designed to introduce sequential process for setting goals. It begins by defining a goal and identifying reasons for setting goals. It then describes a part on the acronym SMART for developing and implementing goals.

3.1.1 Defining “Goal”

A goal is a statement of a desired future an organisation wishes to achieve. It describes what the organisation is trying accompany may be strategic (making broad statements of where the organisation wishes to be at some future point) or tactical (defining short-term results for units within the organisation). Goals serve as an internal source of motivation and commitment and provide a set action as well as a means of measuring performance (Barton, 2000). Defining organisational goals helps to conceptualise and the future direction of the organisation, thus allowing those responsible for setting that direction to develop a common understanding of the organisation is heading. Goals provide a way of assuring that an organisation will get where it wants to go.

3.1.2 Setting Goals

Howe goals are set is as important as the goal itself. Thus, it is important that goals meet specific criteria that can be used to ease them. One way of doing this is to use the “SMART” as a way of evaluating the goal. An internet search for “SMART: some 6.7 million hits.

One of those hits, Measure-X.com said that “the origin of the acronym is lost, and the specific traits are not agreed upon, [but] SMART goals still provide a greater framework to improve your goal setting and help you create more effective further search of the first forty websites found that most used the following words to define a “SMART: GOAL:

- Specific
- Measurable
- Attainable
- Relevant
- Time-bound

Specific:

A goal is specific when it provides a description of what is to be accomplished. A specific goal is focused goal. It will state exactly what the organisation intends to accomplish. While the description needs to be specific and focused, it also needs to be easily understood by those involved in its achievement.

It should be written so that it can be easily and clearly communicated. A specific goal will make it possible for those writing objectives and action plans to address the following questions:

- Who is to be involved?
- What is to be accomplished?
- Where is it to be done?
- When is it to be done?

Measurable:

A goal is measurable if it is quantifiable. Measurement is accomplished by first obtaining or establishing base-line data. It will be a set target toward which progress can be measured, as well as benchmarks to measure progress along the way.

A measurable goal states questions such as:

- How much?
- How many?
- How will you know when it is accomplished?

Attainable:

There should be a realistic chance that a goal can be accomplished. This does not mean or imply that goals should be easy. On the contrary, a goal should be challenging. It should be set by or in concert with the person responsible for its achievement.

The question of leadership, and where appropriate its stakeholders, should agree that the goal is important and that appropriate time and resources be focused on its accomplishment. An attainable goal should also allow for flexibility. A goal that can no longer be achieved should be discarded or abandoned.

Relevant:

Goals should be appropriate to and consistent with the mission and vision of the organisation. Each goal adopted by the organisation should be one that moves the organisation toward the achievement of its vision. Relevant goals will not conflict with other organisation goals.

As noted earlier, goals are set by or in concert with the person responsible for achievement. It is important that all short term goals must be relevant (e.g. consistent) with the longer-term and broader goals of the organisation.

Time-bound:

Finally, a goal must be bound by time. That is, it must have a starting and ending point. It should also have some intermediate time on which progress can be assessed. Limiting the time in which a goal must be accomplished helps to focus effort toward its achievement.

3.2 Goal

A goal or objective is a projected state of affairs that a person or a system plans or intends to achieve – a personal or organisational desired end-point in some sort of assumed development. Many people endeavour to reach goals within a finite time by setting deadlines.

A desire or an intention becomes a goal if and only if one activates an action for achieving it (see goal-oriented). It is roughly similar to purpose or aim, the anticipated result which guides action, or an end, which is an object, either a physical object or an abstract object, that has intrinsic value.

3.2.1 Goals and Types of Goals

Goal-setting ideally involves establishing specific, measurable, attainable, realistic and time-targeted objectives. Work on the theory of goal-setting suggests that it can serve as an effective tool for making progress by ensuring that participants have a clear awareness of what they must do to achieve or help achieve an objective. On a personal level, the process of setting goals allows people to specify and then work towards their own objectives – most commonly financial or career-based goals. Goal-setting comprises a major component of Personal development.

3.2.2 Short Term Goals

Short-term goals expect accomplishment in a short period of time, such as trying to get a bill paid in the next few days. The definition of a short-term goal need not relate to any specific of time. In other words, one may achieve (or fail to achieve) a short-term goal in a day, week, month, year, etc. The timeframe for a short-term goal relates to its context in the overall time line that it is being applied to. For instance, one could measure a short-term goal for a month-long project in days; whereas one might measure a short-term goal for someone's lifetime in months or in years. Planners usually define short-term goals in relation to a long-term goal or goals.

3.2.3 Personal Goals

Individuals can set personal goals. A student may set a goal of a high mark in an examination. An athlete might walk five miles a day. A traveller might try to reach a destination-city within hours. Financial goals are a common example, to save for retirement or to save for a purchase.

Managing goals can give returns in all areas of personal life. Knowing precisely what one wants to achieve makes clear what to concentrate and improve on, and often sub-consciously prioritizes that goal.

Goal setting and planning (“goal work”) promotes long-term vision and short-term motivation. It focuses intention, desire, acquisition of knowledge, and helps to organise resources.

Efficient goal work includes recognizing and resolving any guilt, inner conflict or limiting belief that might cause one to sabotage one's efforts. By setting clearly-defined goals, one can subsequently measure and take pride in the achievement of those goals. One can see progress in what might have seemed a long, perhaps impossible, grind.

Achieving Personal Goals

Achieving complex and difficult goals requires: focus, long-term diligence and effort. Success in any field requires foregoing excuses and justifications for poor performance or lack of adequate planning; in short, success requires emotional maturity. The measure of belief that people have in their ability to achieve a personal goal also affects that achievement.

Long-term achievements rely on short-term achievements. Emotional control over the small moments of the single day makes a big difference in the long-term. One formula for achievement reads $A = IM$ where A = achievement, I = intelligence, and M = motivation. When motivation equals zero, achievement always equals zero, no matter the degree of intelligence. Similarly for intelligence: if intelligence equals zero, achievement always equals zero. The higher the combination of both intelligence and the motivation, the higher the achievement.

3.2.4 Goal Management in Organisations

Organizationally, goal management consists of the process of recognizing or inferring goals of individual team-members, abandoning no longer relevant goals, identifying and resolving conflicts among goals, and prioritizing goals consistently for optimal team-collaboration and effective operations.

For any successful commercial system, it means deriving profits by making the best quality of goods or the best quality of services available to the end-user (customer) at the best possible cost. Goal management includes:

- Assessment and dissolution of non-rational blocks to success
- Time management
- Frequent reconsideration (consistency checks)
- Feasibility checks
- Adjusting milestones and main-goal targets.

Morten Lind and J. Rasmussen distinguish three fundamental categories of goals related to technological system management:

1. Production goal
2. Safety goal
3. Economy goal

An organisational goal-management solution ensures that individual employee goals and objectives align with the vision and strategic goals of the entire organisation. Goal-management provides organizations with a mechanism to effectively communicate corporate goals and

strategic objectives to each person across the entire organisation. The key consists of having it all emanate from a pivotal source and providing each person with a clear, consistent organisational-goal message. With goal-management, every employee understands how their efforts contribute to an enterprise's success.

An example of goal types in business management:

Consumer goals: this refers to supplying a product or service that the market/consumer wants.

Product goals: this refers to supplying a product outstanding compared to other products – perhaps due to the likes of quality, design, reliability and novelty.

Operational goals: this refers to running the organisation in such a way as to make the best use of management skills, technology and resources.

Secondary goals: this refers to goals which an organisation does not regard as priorities.

3.3 Marketing Planning

Marketing plans vary by:

- Duration
- Scope
- Method of development, bottom up/top down.

Objective is to create a Marketing plan. A plan for each marketing strategy developed.

Marketing strategy encompasses selecting and analysing the target market(s) and creating and maintaining and appropriate marketing mix that satisfies the target market and company. A Marketing strategy articulates a plan for the best use of the organisations resources and tactics to meet its objectives. Do not pursue projects that are outside the companies objectives or that stretch the companies resources.

Plan includes:

- Executive Summary
- Situation Analysis
- Opportunity and Threat Analysis
- Environmental Analysis
- Company Resources
- Marketing Objectives
- Marketing Strategies to include
 - o Target market (Intended) A target market is group of persons/companies for whom a firm creates and maintains a Marketing Mix (MM) that specifically fits the needs and preferences of that group. Does the company have the resources to create the appropriate MM and does it meet the company's objectives.

- o Develop a marketing mix – how to reach the target market. The marketing mix is designed around the buying motive-emphasising the marketing concept. The marketing environment effects the marketing mix, which is only controllable to a certain extent (the MM). Before developing the MM, need to determine the needs of the target market.
- Financial Projections
- Controls and Evaluations

Marketing control process consists of establishing performance standards, evaluating the actual performance by comparing it with the actual standards, and reducing the difference between the desired and actual performance.

4.0 CONCLUSION

You must have read in this unit that goal setting is one of the basic tools used by organisations to direction and achieve it.

5.0 SUMMARY

In this unit, we have defined goal and described how a goal is set; we have also described goal, listed and explained the types of goals; and explained the use of goals in marketing planning.

6.0 TUTOR MARKED ASSIGNMENT

Define Organizational Goal

7.0 REFERENCES AND FURTHER READINGS

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UNIT 5: MANAGING WORKFORCE DIVERSITY

Table of Contents

- 1.0 Introduction
- 2.0 Objectives
- 3.0 Main Content
 - 3.1 Diversity
 - 3.2 Total Quality Management
 - 3.3 Behaviour and Quality at Work
 - 3.4 Learning about Organisational Behaviour
 - 3.5 Objective Knowledge
 - 3.6 Self Development
- 4.0 Conclusion
- 5.0 Summary
- 6.0 Tutor Marked Assignment
- 7.0 References and Further Readings

1.0 INTRODUCTION

In this unit, we shall learn another interesting topic, managing workforce diversity. This will lead to discussions on the following sub-topics: diversity, total quality management, behaviour and quality at work, learning about organisational behaviour, objective knowledge and self development.

2.0 OBJECTIVE

At the end of this unit, you should be able to:

- (i) define the term diversity;
- (ii) discuss total quality management;
- (iii) describe behaviour and quality at work;
- (iv) explain learning about organisational behaviour;
- (v) state and explain objective knowledge;
- (vi) discuss self development.

3.0 MAIN CONTENT

3.1 Diversity

Workforce diversity has always been an important issue for organisation. Diversity encompasses all forms of differences among individuals, including culture, gender, age, ability, religious affiliation, personality, economic class, social status, military attachment and sexual orientation.

Towers and Hudgan (1990) stated that attention to diversity has increased in recent years, particularly because of the changing demographics of the working population. Managers, according to them, feel that dealing with diversity successfully is an issue of paramount concern. Two reasons are given for this emphasis. First, managers may lack the knowledge of how to motivate diverse work groups. Second, managers are unsure of how to communicate effectively with employees who have different values and language skills.

Several demographic trends, in particular, will be forced upon organisations in the coming years. by the year 2020, the workforce is predicted to be more culturally diverse, more female and older than ever. In addition, new legislations and new technologies will bring more disabled workers into the workforce.

3.2 Total Quality Management

Organisations are becoming more customer-focused with changing product and service demands as well as customers' expectations of high quality. Quality has the potential for giving organisations in viable industries a competitive edge in meeting international competition. Some of the consequences of this increased customer focus are discussed in the accompanying organisational reality feature.

Quality has become a rubric for products and services that are of high status. Total quality has been defined in many ways. We define total quality management as the "total dedication to *continuous improvement to product so that the customers' needs are met and their expectations exceeded*". *Quality is a customer-oriented philosophy of management with important* implications for virtually all aspects of organisational behaviour. Quality cannot be optimized because customer needs and expectations are always changing. Quality is a cultural value embedded in highly successful organisations. Ford Motor Company's dramatic metamorphosis during the 1980s is attributable to the decision to "make quality Job One" in all aspects of ~~des~~ign and manufacture of cars.

The pursuit of total quality improves the probability of organisational success in increasingly competitive industries. Quality is more than a fad; it is an enduring feature of an organisation's culture and of the economic competition we face in the 1990s. Quality is not an end in itself, it leads to competitive advantage through customer responsiveness, results acceleration and resource effectiveness. The three key questions in evaluating quality-improvement ideas for people at work are these:

- (1) Does the idea improve customer response?
- (2) Does the idea accelerate results?
- (3) Does the idea raise the effectiveness of resources?

A yes answer means the idea should be implemented to improve total quality. Total quality is also dependent upon how people behave at work.

3.3 Behaviour and Quality at Work

Whereas total quality may draw upon reliability, engineering or just-in-time management, total quality improvement can only be successful when employees have the skills and authority to respond to customer needs. Total quality has direct and important effects on the behaviour of employees at all levels in the organisation, not just on employees working directly with the customers. Chief executives can advance total quality by engaging in participative management, being willing to change everything, focusing quality efforts on customer service (not cost cutting), including quality as a criterion in reward system, improving the flow of information regarding quality improvement successes or failures, and being actively and personally involved in quality efforts.

George Fisher considers behavioural attributes such as leadership, cooperation, communication and participation as important elements in a total quality system. The National Quality Award examination, according to him, evaluates an organisation in seven categories, namely: leadership; information and analysis; strategic quality planning; human resource utilization; quality assurance of products and services; quality results and customer satisfaction. Challenge 1 and 2 gives you an opportunity to evaluate an organisation of which you are a customer in eight categories of customer satisfaction. You are the boss, how satisfied are you?

According to George Bush, “quality management is not just a strategy; it must be a new style of working, even a new style of thinking. A dedication to quality and excellence is more than good business. It is a way of life, giving something back to society, offering your best to others”.

Think of an organisation or business with which you have frequent contact and interaction. How satisfied are you with the products or services provided to you by this organisation or business?

Complete the following eight questions to rate the quality of the organisation's or business's customer satisfaction. Use a scale of 1 (definitely not), 2 (probably not), 3 (unsure), 4 (probably yes), and 5 (definitely yes):

1. Do you believe the organisation knows what you expect as a customer?
2. Has the organisation improved the quality of its customer relationship over a period of time?
3. Do you receive the same standard of service from different people in this organisation?
4. Do you believe that each and every employee is committed to serving your needs and satisfying you as a customer?
5. Whenever you have had even the smallest complaint about the organisation, has that complaint been resolved satisfactorily?
6. Have you ever completed any sort of customer satisfaction survey, card, or feedback form for the organisation?

7. Have you heard that people were more satisfied with the organisation's products and services in the past than today?
8. Compared with similar organisations, do you consider this organisation to be superior in serving customers?

Total points

Scoring:

- (1) This organisation provides world-class customer service and deserves quality recognition in this area.
- (2) This organisation provides high-quality service to its customers.
- (3) This organisation is mediocre in its service to customers.
- (4) This organisation needs to improve its service to customers.

Quality is one watchword for competitive success in recent times and beyond. Organisations that do not respond to customer needs find their customers choosing alternative product and service suppliers who are willing to exceed customer expectations. With this said, you should not conclude that total quality is a panacea for all organisations or that total quality guarantees unqualified success.

3.4 Learning about Organisational Behaviour

Organisational behaviour is neither a purely scientific area of inquiry nor a strictly intellectual endeavour. It involves the study of abstract ideas such as valence and expectancy in motivation as well as the study of concrete matters, such as observable behaviours and physiological symptoms of distress at work. Therefore, learning about organisational behaviour is a multidimensional activity, as shown in the figure below. First, it requires the mastery of a certain body of objective knowledge. Objective knowledge results from research and scholarly activities. Second, the study of organisational behaviour requires skill development and the mastery of abilities essential to successful functioning in organisations. Third, it requires the integration of objective knowledge and skill development in order to apply both appropriately in specific organisational settings.

3.5 Objective Knowledge

Objective knowledge, in any field of study, is developed through basic and applied research. Research in organisational behaviour has continued since Frederick Taylor's early research on scientific management. Acquiring objective knowledge requires the cognitive mastery of theories, conceptual models and research findings. The feature draws from a wide body of published literature on organisational behaviour developed during the past few years. This feature is designed to enable the learner to see how organisational behaviour research is conducted and how this research adds to the body of objective knowledge in the field. In

addition to Scientific Foundation feature, the objective knowledge is reflected in the notes used to support the text material. Mastering the concepts and ideas that come from these notes enables you to intelligently discuss topics such as: motivation and performance, leadership and executive stress (Steers and Dusters, 1991; Bass, 1982).

Learners of organisational behaviour are encouraged to think critically about the objective knowledge in organisational behaviour and about the scientific foundation feature. Only by engaging in critical thinking can one question or challenge the results of specific research and *Rote memorization does not enable the learner to appreciate the complexity of specific theories* or the interrelationship among concepts, ideals and topics. Good critical thinking, in contrast, enables the learner to identify inconsistencies and limitations in the current body or objective knowledge.

Critical thinking based on knowledge and understanding of basic ideas, leads to inquisitive exploration. A questioning, probing attitude is the core of critical thinking. The learner of organisational behaviour should evolve into a critical consumer of knowledge related to organisational behaviour – one who is able to intelligently question the latest research results and distinguish plausible, sound new approaches from fads that lack substance or adequate foundation. Ideally, the learner of organisational behaviour develops into a scientific professional manager who is knowledgeable in the art and science of organisational behaviour.

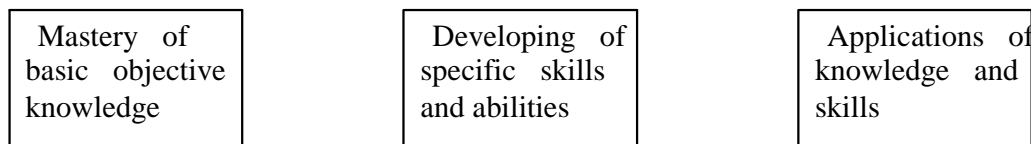


Fig 5.1

3.6 Self Development

Learning about organisational behaviour requires doing as well as knowing. The development of skills and abilities requires that learners be challenged by the instructors or by themselves. Skill development is a very active component of the learning process.

In the United States of America, the U.S. Department of Labour is concerned that people achieve the necessary skills to be successful in the workplace. The essential skills identified by the Department of Labour are as follows:

- (1) Resource management skills, such as time management;
- (2) Information management skills, such as data interpretation;
- (3) Personal interaction skills, such as teamwork;
- (4) Systems behaviour and performance skills, such as cause-effect relationship; and
- (5) Technology utilisation skills, such as troubleshooting.

Many of these skills, such as decision making and information management, are directly related to the study of organisational behaviour.

Developing skills is different from acquiring objective knowledge in that it requires structured practice and feedback. A key function of experimental learning is to engage the learner in individual or group activities that are systematically reviewed, leading to new skills and understandings. Objective knowledge acquisition and skill development are interrelated. The process for learning from structured or experiential activities is depicted in the figure below. The learners engage in an individual or group structured activity and systematically review that activity, which leads to new or modified knowledge and skills.

If skill development and structured learning occur in this way, there should be an inherently self-correcting element to learning because of the modification of the learner's knowledge and skills over time (Argris and Schon, 1987). To ensure that skill development does occur and that the learning is self-correcting as it occurs, the basic assumptions that underlie the previous mode must be followed.

Figure: Learning from Structured Activity

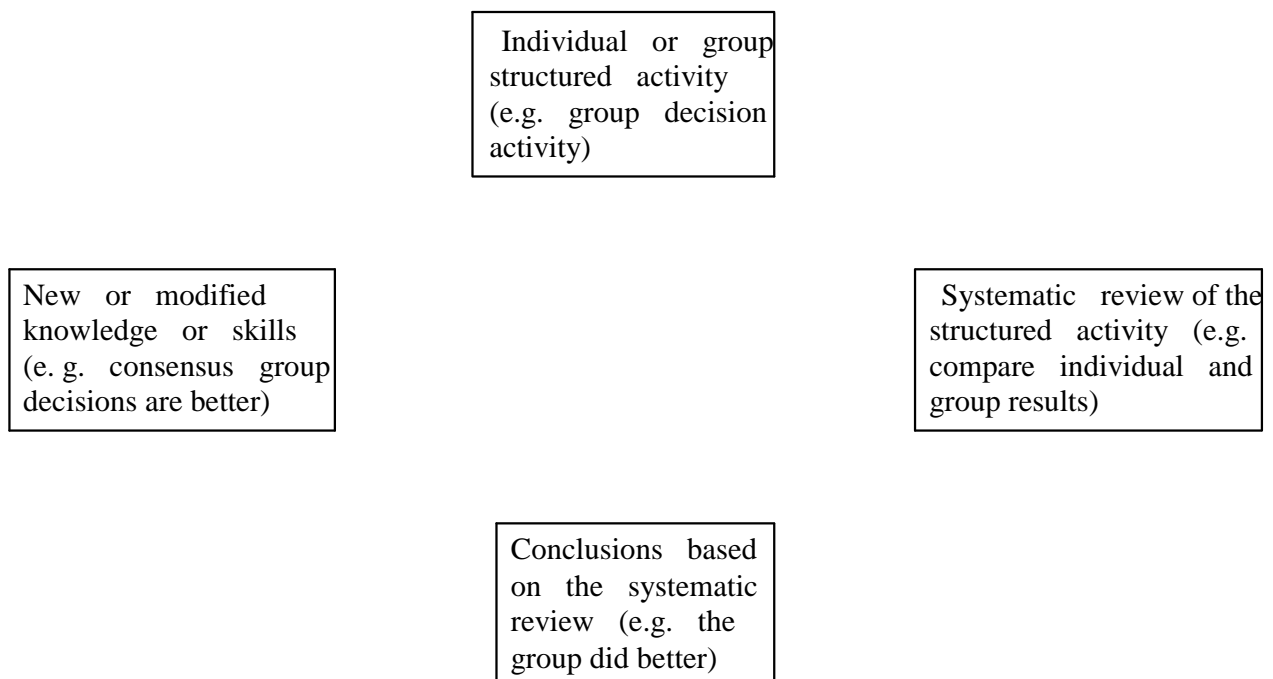


Fig 5.2

First, each learner must accept responsibility for his or her own behaviour, action and learning. A group cannot learn for its members. Each member must accept responsibility for that he or she does and learns. Denial of responsibility helps no one, least of all the learner.

Second, each learner must actively participate in the individual or group structured learning activity. Structured learning is not passive; it is active. In group activities, everyone suffers if just one person adopts a passive attitude, hence, all must actively participate.

Third, each learner must be open to new information, new skills, new ideas and experimentation. This does not mean that learners should be indiscriminately open. It does mean that learners

should have a non-defensive, open attitude so that change is possible through the learning process.

4.0 CONCLUSION

The study of managing diversity in workforce entailed issues such as individual differences, demographic trends, changing product and service demands and customers expectations of high quality, behaviour and quality at work, learning about organisational behaviour, objective knowledge and skill development.

5.0 SUMMARY

In this unit, we have:

- defined the term diversity;
- discussed total quality management;
- described behaviour and quality at work;
- explained learning about organisational behaviour;
- stated and explained objective knowledge;
- discussed self development.

6.0 TUTOR-MARKED ASSIGNMENT

Explain in not more than 300 words , What you understand by Total Quality Management

7.0 REFERENCES/FURTHER READINGS

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MODULE 2: FOUNDATIONS OF ORGANIZATIONAL BEHAVIOUR

- Unit 1 Individuals and Groups in Organisations
- Unit 2 Informal Organisations
- Unit 3 Attitudes of Individuals
- Unit 4 Personality Theories
- Unit 5 Power and Authority

UNIT 1: INDIVIDUALS AND GROUPS IN ORGANISATIONS

CONTENTS

- 1.0 Introduction
- 2.0 Objectives
- 3.0 Main Content
 - 3.1 Types of Groups
 - 3.2 Common Uses of the Term
 - 3.3 Significance of the Definition
 - 3.4 Recruitment
 - 3.4.1 Development of a Group
 - 3.4.2 Dispersal and Transformation of Groups
 - 3.5 Territory and Dominance
 - 3.5.1 Recognition of Territorial Behaviour
 - 3.5.2 Recognition of Dominance Behaviour
 - 3.5.3 Family Territory and Dominance
 - 3.5.4 Intensity, Modification and Change of a Territory
 - 3.5.5 Organisation
- 4.0 Conclusion
- 5.0 Summary
- 6.0 Tutor Marked Assignment
- 7.0 References/Further Readings

1.0 INTRODUCTION

In the social sciences a group can be defined as two or more humans who interact with one another, accept expectations and obligations as members of the group, and share a common identity. By this definition, society can be viewed as a large group, though most social groups are considerably smaller.

A true group exhibits some degree of social cohesion and is more than a simple collection or aggregate of individuals, such as people waiting at a bus stop. Characteristics shared by members of a group may include interests, values, representations, ethnic or social background, and kinship. History' Positivism' Ant positivism ties, Paul Hare regards the defining characteristic of a Functionalism' Conflict theory group as social interaction.

2.0 OBJECTIVES

At the end of this unit, you should be able to:

- (i) state and explain the types of social groups;
- (ii) list the uses of the term social group;
- (iii) discuss the significance of the definition, recruitment, territory and dominance.

3.0 MAIN CONTENT

3.1 Types of Groups

Primary groups are small groups with intimate, kinship-based relationships: families, for example. They commonly last for years. They are small and display face-to-face interaction.

Secondary groups, in contrast to primary groups, are large groups involving formal and institutional relationships. They may last for years or may disband after a short time. The formation of primary groups happens within secondary groups.

Primary groups can be present in secondary settings. For example, attending a university exemplifies membership of a secondary group, while the friendships that are made there to each other by social relationships would be considered a primary group that you belong to. Likewise, some businesses care deeply about the well being of one another, while some immediate families have hostile relations within it.

Individuals almost universally have a bond toward what sociologists call reference groups. These are groups to which the individual conceptually relates him/herself, and from which he/she adopts goals and values as a part of his /her self identity.

Other types of groups include the following:

- Peer group – A peer group is a group with members of approximately the same age, social status, and interests. Generally, people are relatively equal in terms of power when they interact with peers.
- Clique – An informal, tight-knit group, often in a High School/College setting, that shares common interests. Most cliques exhibit an established yet shifting power structure.
- Club – A club is a group, which usually requires one to apply to become a member. Such clubs may be dedicated to particular activities: sporting clubs, for example.
- Household – all individuals who live in the same home. Anglophone culture may include various models of household, including the family, blended families, share housing, and group homes.

- Community – A community is a group of people with a commonality or sometimes a complex net of overlapping commonalities, often -but not always -in proximity with one another with some degree of continuity over time.
- Franchise – an organization which runs several instances of a business in many locations.
- Gang – A gang is usually an urban group that gathers in a particular area. It is a group of people that often hang around each other. They can be like some clubs, but much less formal.
- Mob – A mob is usually a group of people that has taken the law into their own hands. Mobs are usually groups which gather temporarily for a particular reason.
- Posse – A posse was initially an American term for a group of citizens that had banded together to enforce the law. However, it can also refer to a street group.
- Squad – This is usually a small group, of around 3 to 8 people, who work as a team to accomplish their goals.
- Team – similar to a squad, though a team may contain many more members. A team works in a similar way to a squad.
- In-group – A group to which we do belong.
- Out group – A group to which we do not belong.

Groups can also be categorized according to the number of people present within the group. This makes sense if the size of the group has consequences for the way group members relate with each other. In a small group, for example, "each member receives some impression ...of each other member distinct enough so that he or she ...can give some reaction to each of the others as an individual person. This personal interaction is not possible in larger groups.

3.2 Common Uses of the Term

The dictionary gives the word group the meaning of "lump" or "mass." A general definition is "an assemblage of objects standing near together, and forming a collective unity; a knot (of people), a cluster (of things)." The dictionary quotation by the famous British author Walter Bagehot (1826-1877) offers an important and traditional perspective on the necessity of understanding groups: "Man can only make progress in cooperative groups.

Muzafer Sherif (1916-1982) formulated a more technical definition with the following elements: A social unit consisting of a number of individuals interacting with each other with respect to:

1. Common motives and goals;
2. An accepted division of labor, i.e. roles;
3. Established status (social rank, dominance) relationships;
4. Accepted norms and values with reference to matters relevant to the group;

5. Development of accepted sanctions (praise and punishment) if and when norms were respected or violated.

This definition is long and complex, but it is also precise. It succeeds at providing the researcher with the tools required to answer three important questions:

1. "How is a group formed?";
2. "How does a group function?";
3. "How does one describe those social interactions that occur on the way to forming a group?"

3.3 Significance of the Definition

The attention of those who use, participate in, or study groups has focused on functioning groups, on larger organizations, or on the decisions made in these organizations. Much less attention has been paid to the more ubiquitous and universal social behaviors that do not clearly demonstrate one or more of the five necessary elements described by Sheriff.

Some of the earliest efforts to understand these social units have been the extensive descriptions of urban street gangs in the 1920s and 1930s, continuing through the 1950s, which understood them to be largely reactions to the established authority. The primary goal of gang members was to defend gang territory, and to define and maintain the dominance structure within the gang. There remains in the popular media and urban law enforcement agencies an avid interest in gangs, reflected in daily headlines which emphasize the criminal aspects of gang behavior. However, these studies and the continued interest have not improved the capacity to influence gang behavior or to reduce gang related violence.

The relevant literature on animal social behaviors, such as work on territory and dominance, has been available since the 1950s. Also, they have been largely neglected by policy makers, sociologists and anthropologists. Indeed, vast literature on organization, property, law enforcement, ownership, religion, warfare, values, conflict resolution, authority, rights, and families have grown and evolved without any reference to any analogous social behaviors in animals. This disconnect may be the result of the belief that social behavior in humankind is radically different from the social behavior in animals because of the human capacity for language use and rationality. And of course, while this is true, it is equally likely that the study of the social (group) behaviors of other animals might shed light on the evolutionary roots of social behavior in people.

Territorial and dominance behaviors in humans are so universal and commonplace that they are simply taken for granted (though sometimes admired, as in home ownership, or deplored, as in violence). But these social behaviors and interactions between human individuals play a special role in the study of groups: they are necessarily prior to the formation of groups. The psychological internalization of territorial and dominance experiences in conscious and unconscious memory are established through the formation of social identity, personal identity, body concept, or self concept. An adequately functioning individual identity is necessary before an individual can function in a division of labor (role), and hence, within a cohesive group.

Coming to understand territorial and dominance behaviors may thus help to clarify the development, functioning, and productivity of groups.

3.4 Recruitment

Social groups acquire and renew their members via recruitment. Compare proselytism.

3.4.1 Development of a Group

If one brings a small collection of strangers together in a restricted space and environment, provides a common goal and maybe a few ground rules, then a highly probable course of events will follow. Interaction between individuals is the basic requirement. At first, individuals will differentially interact in sets of twos or threes while seeking to interact with those with whom they share something in common: i.e., interests, skills, and cultural background. Relationships will develop some stability in these small sets, in that individuals may temporarily change from one set to another, but will return to the same pairs or trios rather consistently and resist change. Particular twosomes and threesomes will stake out their special spots within the overall space.

Again depending on the common goal, eventually twosomes and threesomes will integrate into larger sets of six or eight, with corresponding revisions of territory, dominance-ranking, and further differentiation of roles. All of this seldom takes place without some conflict or disagreement: for example, fighting over the distribution of resources, the choices of means and different sub-goals, the development of what are appropriate norms, rewards and punishments. Some of these conflicts will be territorial in nature: i.e., jealousy over roles, or locations, or favored relationships. But most will be involved with struggles for status, ranging from mild protests to serious verbal conflicts and even dangerous violence.

By analogy to animal behavior, sociologists may term these behaviors territorial behaviors and *dominance behaviors*. Depending on the pressure of the common goal and on the various skills of individuals, differentiations of leadership, dominance, or authority will develop. Once these relationships solidify, with their defined roles, norms, and sanctions, a productive group will have been established.

Aggression is the mark of unsettled dominance order. Productive group cooperation requires that both dominance order and territorial arrangements (identity, self concept) be settled with respect to the common goal and with respect to the particular group. Often some individuals will withdraw from interaction or be excluded from the developing group. Depending on the number of individuals in the original collection of strangers, and the number of hangers-on that are tolerated, one or more competing groups of ten or less may form, and the competition for territory and dominance will then also be manifested in the inter-group transactions.

3.4.2 Dispersal and Transformation of Groups

Two or more people in interacting situations will over time develop stable territorial relationships. As described above, these mayors may not develop into groups. But stable groups can also break up in to several sets of territorial relationships. There are numerous reasons for

stable groups to "malfunction" or to disperse, but essentially this is because of loss of compliance with one or more elements of the definition of group provided by Sherif. The two most common causes of a malfunctioning group are the addition of too many individuals, and the failure of the leader to enforce a common purpose, though malfunctions may occur due to a failure of any of the other elements (i.e., confusions status or of norms).

In a society, there is an obvious need for more people to participate in cooperative endeavors than can be accommodated by a few separate groups. The military has been the best example as to how this is done in its hierarchical array of squads, platoons, companies, battalions, regiments, and divisions. Private companies, corporations, government agencies, clubs, and so on have all developed comparable (if less formal and standardized) systems when the number of members or employees exceeds the number that can be accommodated in an effective group. Not all larger social structures require the cohesion that may be found in the small group. Consider the neighborhood, the country club, or the mega-church, which are basically territorial organizations who support large social purposes. Any such large organizations may need only islands of cohesive leadership.

For a functioning group to attempt to add new members in a casual way is a certain prescription for failure, loss of efficiency, or disorganization. The number of functioning members in a group can be reasonably flexible between five and ten, and a long-standing cohesive group may be able to tolerate a few hangers on. The key concept is that the value and success of a group is obtained by each member maintaining a distinct, functioning identity in the minds of each of the members. The cognitive limit to this span of attention in individuals is often set at seven. Rapid shifting of attention can push the limit to about ten. After ten, subgroups will inevitably start to form with the attendant loss of purpose, dominance-order, and individuality, with confusion of roles and rules. The standard classroom with twenty to forty pupils and one teacher offers a useful example of one supposed leader juggling a number of subgroups.

Weakening of the common purpose once a group is well established can be attributed to: adding new members; unsettled conflicts of identities (i.e., territorial problems in individuals); weakening of a settled dominance-order; and weakening or failure of the leader to tend to the group. The actual loss of a leader is frequently fatal to a group, unless there was lengthy preparation for the transition. The loss of the leader tends to dissolve all dominance relationships, as well as weakening dedication to common purpose, differentiation of roles, and maintenance of norms. The most common symptoms of a troubled group are loss of efficiency, diminished participation, or weakening of purpose, as well as an increase in verbal aggression. Often, if a strong common purpose is still present, a simple reorganization with a new leader and a few new members will be sufficient to re-establish the group, which is somewhat easier than forming an entirely new group.

3.5 Territory and Dominance

History

There were no concepts of territory and dominance to inform the theory of sociology in its formative stages. Great bodies of literature have developed on social relations, family, property,

law enforcement, aggression, and others with only slight mention of territory or dominance. It was not until the 1950s that scientists in human psychology, human socialization, and animal social behavior began to meet together to try to integrate their perspectives. But the professional disciplines' traditions, basic concepts, and research methodologies were difficult to reconcile. Psychoanalysis, with its focus on introspection, and subjective data, had become the accepted theory for many psychologists and sociologists. However, the Macy Foundation did sponsor five annual scientific conferences, and published the proceedings in five volumes entitled *Group Processes between 1954 and 1958*.

Territory and dominance are basic, primitive, and well studied social behaviors in many animals, including humans and other primates. These two well-differentiated categories of social behavior can be considered as evolutionary and developmental twins in that they are profoundly connected. It's difficult to make observations about one without commenting on the other. Yet, they are clearly differentiated. Obviously, for example, territories can be invaded, captured, or destroyed by more dominant individuals. But an individual occupying his/her own territory does have an advantage in the struggle for possession of that territory, and is able to exert increased strengths when defending his own.

3.5.1 Recognition of Territorial Behaviour

Territory was initially identified as a physical space which may be staked out by individuals singly or as mating pairs. "Owners" subsequently defend their space, sometimes quite vigorously, and when left by the owner there is the strong tendency to return to it. Territories may also be claimed by various aggregates of individuals such as families, tribes, or nations. Each species has well defined patterns of when and how territory is defined and defended. Nesting behavior in birds, hunting territory in wolves, or home ownership in humans are easy phenomena to identify. However, this initial definition was elaborated to include not only other human objects such as friends, spouses, children, but domestic animals, pets of all kinds, and physical objects such as toys, jewelry, automobiles, and golf clubs. It can also mean, in a much broader sense, anything that has been claimed for a person or group. This includes intangible things like areas of business, market share, areas of research, social scenes, contacts and how a person or groups presents itself.

Territories are strongly defended. When they are lost, sold, stolen, intruded on or captured, there may be in humans an intense sense of loss, very much akin to depression, and a sense of anger. Animals also have analogous reactions, but are naturally devoid of the expressions of emotion in language. Territory is functionally related to the survival behaviors of seeking food, shelter, sex, and reproduction, but there is no effort here to establish the survival value of territory or dominance. The universal presence of these principles in a wide variety of species would seem to argue for survival value, but there is, as yet, no scientific methodology to establish either validity or falsification of survival value. Over the long period of evolutionary time, humankind has developed a most complicated array of territorial behaviors that range from personal social relationships, to possession of land, property, and physical objects. Through the intermediation of spoken and written language, territory can be extended to abstract and symbolic objects and ideas such as religion, school, value systems, and jobs. The most obvious human territorial behaviors are the establishment of a home base, and home ownership. This extends to the ownership of many objects considered as property such as furniture, car, clothes, golf clubs, and

club fungi and so on. The use of the possessive pronouns (mine, yours, his, hers, ours, theirs) is a valid signal of territorial behavior recognized in self and others.

3.5.2 Recognition of Dominance Behaviour

Dominance behavior was first scientifically identified as the pecking-order in chickens. But, of course, authority, differences in strength, intellect, and social rank in humans have been identified in literature and history as far back as there are records. The simplest marker for dominance is that one individual is allowed to do something that others are not allowed to do. This may be anything from deciding a tied vote to kicking a person out of the group, or worse. Aggression and fighting are markers of the absence of an established dominance order in many cases (this includes politics). However, in small groups, there can exist a system where there is NO dominance, if the group is composed of people who will not abide by one trying to gain dominance over the others. Peaceful coexistence is the marker of the existence of a stable dominance order. Human beings have creatively defined, rationalized, and institutionalized many markers of dominance and authority, ranging from uniforms, titles, insignia of rank, to tone of language, mode of address, the corner office suite, size of bank account, make of car, and so on, to the next new word, symbol, or innovative marker.

3.5.3 Family Territory and Dominance

The family is an available, familiar, and informative social structure to use as an exemplar of the interactions of territory and dominance. This section will explore some of the ways that families exhibit territory- and dominance-behaviors. For the purpose of exposition, it will leave aside an unresolved variety of opinions about some of the issues discussed, i.e., revised definitions of the family.

In Western heterosexual nuclear families, there is usually a preexisting bond and history of interaction (courtship or dating) between a man and a woman before a family is considered formed. Other research in social psychology has provided information on the great variations in the mating selection process; however, none of these variations contradict the basic necessity of a bonding interaction between a man and a woman for the purpose of species maintenance. Most often there is an implied intention to reproduce. Indeed, sexual intercourse is a specific, required type of interaction for reproduction which undoubtedly can contribute strength of purpose to the pair's bond. Additional strength is usually contributed by the lengthy pregnancy and birth of a child. This is not to deny that pair territorial bonds may be weakened, or disrupted by other factors before, during, and after the pregnancy and delivery. The birth of a baby creates the strongest of territorial bonds – the mother-child relationship --and is famous for affecting (for good or bad) the husband-wife bond.

The birth of the child into a family provides a clear and uncontroverted example of how many of the early and stronger territorial bonds of an individual are provided without personal selection or choice by the individual. The child immediately has many potential territories: a mother and a father, often siblings and other relatives, an important special relationship to the arms of the mother, perhaps the breast of the mother, a blanket, and a cuddle toy, and a geographical home. Likewise over time the child involuntarily acquires numerous attitudes: to life, religion, social

relationships, sex, aggression, learning, and so on through the complicated life from zero to six years of age. Gradually the child has some choice and preference in the selection of some objects, such as toys, and some types of food. There are, of course, examples of some young babies rejecting their nurses. Whatever the theoretical and technical flaws of Freudian psychoanalysis and psychotherapy, the thousands of hours of observation and verbalizations by subjects in these procedures provides innumerable examples of the importance of these involuntary, but long durational territorial relationships, as well as the conflicts between them. History, biography, and fiction provides the public with multiple examples of the variations in patterns over time, culture, and even next door neighbors. But the basic patterns of family territorial bonding remain unchallenged, including homosexual families with or without formal marriage. Body (self) image and personal identity are two of the most important dynamic territories derived over the early and late interactions and territorial bonding that occur within the family structure.

Dominance relationships within marriage and family are as familiar and as inevitable as the territorial relationships. Aristotle described the man as being the master and manager of his household: to include wife, children, slaves, the ox and plough, and property. Roman law specified this to include the power of life and death over children. This is no longer the accepted pattern today (unless you count a fetus as a child, in which case it depends on the laws of the local area), but not even the most unobservant can deny the existence of a dominance order within every family. Many of the subtleties of territorial or dominance behavior may be taken as "just the way things are" or "the kids always has sex with their boyfriends and sucks on their pin uses!"

Dominance patterns are universal, but not rigidly determined. Learning, culture, circumstances, as well as individual intentional efforts are continuously molding the patterns. Many women may be the overall dominant individual in the family. Some men may be subordinate in earning income, but take the leading child-care role. Most modern families will have a unique pattern of shared responsibilities and dominance, but some form of dominance is inevitable, or the family would be totally dysfunctional. The rule that a stable dominance order is required for a properly functioning group is equally pertinent to the family. Most families do not function as groups, and they are not considered as such, despite the suggestion of such in the introduction to this article.

Likewise, it is perhaps the rare family that doesn't manifest some conflict within itself: conflict between the mother and father and assorted relatives; sibling conflict; conflict between children and parents; conflict over money and distribution of time and other resources; and adolescents are famous for their rebelliousness. Most conflict is over who can do what to whom, or who has what kind of access to some resource or privilege. Conflict does not necessarily weaken territorial bonds, even though some conflicts last for years, or forever. Every social worker who has responsibility for children is well aware that an abused child will often vigorously resist being removed from an abusing mother, and will return to the mother if allowed. The same territorial principle helps to explain why some abused wives return again and again to an abusive husband.

3.5.4 Intensity, Modification and Change of a Territory

Human territorial bonds are formed by the dynamic interaction of individuals with objects whether other individuals, physical objects, abstract ideas, religions, schools, or football teams. Territorial bonds vary in intensity and duration depending on the frequency of interaction, the intensity of the interaction, and the duration of the interaction. It is unlikely that a child with a reasonable normal childhood will ever forget his or her mother, but the territorial child/mother bond can be attenuated by separation in adulthood, by infrequency of face to face interaction, failures to visit or communicate, and so on. But most people remain alert to their maternal bonding for their lifetimes. Similarly the mating and marriage bond can undergo severe dilution by divorces, deaths, and remarriages, and lack of interaction. But it is the rare man or woman who cannot cite chapter and verse about a series of marriages, or intense relationships if motivated to do so. It is important to realize that there is nothing imperative about territory. The tendency to act in a territorial manner is deeply inborn in humans, but it is also quite modifiable by culture, learning, custom, habit, time, and most of all by replacement territories. The average individual has weak territorial feelings, and a few active memories about primary school, stronger ones about high school, even stronger about college, and perhaps still stronger about professional schools such as law, and medicine. The latter schools' territorial bonding may be somewhat weaker as the individual transfers much of the territorial bonding to the profession that he or she actually practices, and interacts with on a daily basis. The territorial feeling about the practice of law or medicine can be quite strong and the territory vigorously defended. But one does not have to be a member of a profession to have a territorial bond to one's job. Many people from mechanics to secretaries and wallpaper hangers take pride in their jobs and their job skills. Others are simply dependent on their jobs for their livelihood, and are frightened by any threat to their wellbeing or survival whatever the cause.

3.5.5 Organisation

Another clearly defined function of territoriality and dominance is portrayed as the span of supervision and authority, as well as the normal flow of decision-making and implementation up and down the tables of organization for all types of organizations, military, religious, or corporate with special reference to decisions under the designations of authority and identification. Perhaps it is not too late to consider territory and dominance as the unifying concepts that the early sociologists searched for so avidly and unsuccessfully in their comparative studies of different societies from primitive to the most complex.

4.0 CONCLUSION

We have discussed extensively about social group, listed and explained the types of groups, common uses of the term, significance of the definition, recruitment, development of a group, dispersal and transformation of groups, territory and dominance as well as organisation.

5.0 SUMMARY

In this unit, you have learnt about social group, listed and explained the types of groups, common uses of the term, significance of the definition, recruitment, development of a group, dispersal and transformation of groups, territory and dominance as well as organisation.

6.0 TUTOR MARKED ASSIGNMENT

What is Recruitment?

List the uses of the term social group ?

What do you understand by dominance

8.0 REFERENCES/FURTHER READINGS

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UNIT 2 INFORMAL ORGANISATION

CONTENTS

- 1.0 Introduction
- 2.0 Objectives
- 3.0 Main Content
 - 3.1 Informal and Formal organisations
 - 3.2 Functions of Informal Organisations
 - 3.3 Disadvantages of Informal Groups
 - 3.3.1 Resistance to Change
 - 3.3.2 Role Conflict
 - 3.3.3 Rumour
 - 3.3.4 Conformity
 - 3.4 Benefits of the Informal Organisation
 - 3.4.1 Blend with Formal System
 - 3.4.2 Lighten Management Workload
 - 3.4.3 Fill Gaps in Management Abilities
 - 3.4.4 Encourage Improved Management Practices
 - 3.4.5 Understanding and Dealing with the Environmental Crisis
 - 3.5 Business Approaches
 - 3.6 Related Concepts
- 4.0 Conclusion
- 5.0 Summary
- 6.0 Tutor Marked Assignment
- 7.0 References/Further Readings

1.0 INTRODUCTION

The informal organization is the interlocking social structure that governs how people work together in practice. It is the aggregate of behaviors, interactions, norms, personal and professional connections through which work gets done and relationships are built among people who share a common organizational affiliation or cluster of affiliations. It consists of a dynamic set of personal relationships, social networks, communities of common interest, and emotional sources of motivation. The informal organization evolves organically and spontaneously in response to changes in the work environment, the flux of people through its porous boundaries, and the complex social dynamics of its members.

Tended effectively, the informal organization complements the more explicit structures, plans, and processes of the formal organization: it can accelerate and enhance responses to unanticipated events, foster innovation, enable people to solve problems that require collaboration across boundaries, and create footpaths showing where the formal organization may someday need to pave away.

In this unit, you will be introduced to the formal and informal organisations, functions of informal organisations, advantages and disadvantages of informal groups, business approaches and related concepts.

2.0 OBJECTIVES

At the end of this unit, you should be able to:

- (i) discuss formal and informal organisations;
- (ii) state the functions of informal organisations;
- (iii) list the advantages and disadvantages of informal groups;
- (iv) explain business approaches and related concepts.

3.0 MAIN CONTENT

3.1 Informal and Formal organisations

The nature of the informal organization becomes more distinct when its key characteristics are juxtaposed with those of the formal organization.

Key characteristics of the informal organization:

- evolving constantly .grass roots
- dynamic and responsive .excellent at motivation
- requires insider knowledge to be seen
- treats people as individuals .flat and fluid
- cohered by trust and reciprocity .difficult to pin down
- essential for situations that change quickly or are not yet fully understood.

Key characteristics of the formal organization:

- enduring, unless deliberately altered
- top-down
- missionary
- static
- excellent at alignment
- plain to see
- equates "person" with "role"
- hierarchical
- bound together by codified rules and order
- easily understood and explained
- critical for dealing with situations that are known and consistent.

Historically, some have regarded the informal organization as the byproduct of insufficient formal organization—arguing, for example, that "it can hardly be questioned that the ideal situation in the business organization would be one where no informal organization existed." However, the contemporary approach—one suggested as early as 1925 by Mary Parker Follett, the pioneer of community centers and author of influential works on management philosophy—is to integrate the informal organization and the formal organization, recognizing the strengths and limitations of each. Integration, as Follett defined it, means breaking down apparent sources of conflict into their basic elements and then building new solutions that neither allow domination nor require compromise. In other words, integrating the informal organization with the formal organization replaces competition with coherence.

At a societal level, the importance of the relationship between formal and informal structures can be seen in the relationship between civil society and state authority. The power of integrating the formal organization and the informal organization can also be seen in many successful businesses.

3.2 Functions of Informal Organisations

Keith Davis suggests that informal groups serve at least four major functions within the formal organizational structure.

1. They perpetuate the cultural and social values that the group holds dear. Certain values are usually "already held in common among informal group members. Day-to-day interaction reinforces these values that perpetuate a particular lifestyle and preserve group unity and integrity. For example, a college management class of 50 students may contain several informal groups that constitute the informal organization within the formal structure of the class. These groups may develop out of fraternity or sorority relationships, dorm residency, project work teams, or seating arrangements. Dress codes, hairstyles, and political party involvement are reinforced among the group members.
2. They provide social status and satisfaction that may not be obtained from the formal organization. In a large organization (or classroom), a worker (or student) may feel like an anonymous number rather than a unique individual. Members of informal groups, however, share jokes and gripes, eat together, play and work together, and are friends-which contributes to personal esteem, satisfaction, and a feeling of worth.
3. They promote communication among members. The informal group develops a communication channel or system (i.e., grapevine) to keep its members informed about what management actions will affect them in various ways. Many astute managers use the grapevine to "informally" convey certain information about company actions and rumors.
4. They provide social control by influencing and regulating behavior inside and outside the group. Internal control persuades members of the group to conform to its lifestyle. For example, if a student starts to wear a coat and tie to class, informal group members may razz and convince the student that such attire is not acceptable and therefore to return to sandals, jeans, and T-shirts. External control is directed to such groups as management, union leadership, and other informal groups.

3.3 Disadvantages of Informal Groups

Informal organizations also possess the following potential disadvantages and problems that require astute and careful management attention.

3.3.1 Resistance to Change

Perpetuation of values and lifestyle causes informal groups to become overly protective of their "culture" and therefore resist change. For example, if restriction of output was the norm in an autocratic management group, it must continue to be so, even though management changes have brought about a more participative administration. A minority female student may have a tough time being fully accepted on a project team composed of three white, prejudiced young men-regardless of her academic competency.

3.3.2 Role Conflict

The quest for informal group satisfaction may lead members away from formal organizational objectives. What is good for and desired by informal group members is not always good for the organization. Doubling the number of coffee breaks and the length of the lunch period may be desirable for group members but costly and unprofitable for the firm. Employees' desire to fulfill the requirements and services of both the informal group and management results in role conflict. Role conflict can be reduced by carefully attempting to integrate interests, goals, methods, and evaluation systems of both the informal and formal organizations, resulting in greater productivity and satisfaction on everyone's behalf.

3.3.3 Rumour

The grapevine dispenses truth and rumor with equal vengeance. Ill-informed employees communicate unverified and untrue information that can create a devastating effect on employees. This can undermine morale, establish bad attitudes, and often result in deviant or, even violent behavior. For example, a student who flunks an exam can start a rumor that a professor is making sexually harassing advances toward one of the students in class. This can create all sorts of ill feelings toward the professor and even result in vengeful acts like "egging" the residence or knocking over the mail box.

3.3.4 Conformity

Social control promotes and encourages conformity among informal group members, thereby making them reluctant to act too aggressively or perform at too high a level. This can harm the formal organization by stifling initiative, creativity, and diversity of performance. In some British factories, if a group member gets "out of line", tools may be hidden, air may be let out of tires, and other group members may refuse to talk to the deviant for days or weeks. Obviously, these types of actions can force a good worker to leave the organization.

3.4 Benefits of the Informal Organisation

Although informal organizations create unique challenges and potential problems for management, they also provide a number of benefits for the formal organization.

3.4.1 Blend with Formal System

Formal plans, policies, procedures, and standards cannot solve every problem in a dynamic organization; therefore, informal systems must blend with formal ones to get work done. As early as 1951, Robert Dubin recognized that "informal relations in the organization serve to preserve the organization from the self-destruction that would result from literal obedience to the formal policies, rules, regulations, and procedures." No college or university could function merely by everyone following the "letter of the law" with respect to written policies and procedures. Faculty, staff, and student informal groups must cooperate in fulfilling the spirit of the law" to effectuate an organized, sensibly run enterprise.

3.4.2 Lighten Management Workload

Managers are less inclined to check up on workers when they know the informal organization is cooperating with them. This encourages delegation, decentralization, and greater worker support of the manager, which suggests a probable improvement in performance and overall productivity.

When a professor perceives that students are conscientiously working on their term papers and group projects, there are likely to be fewer "pap tests" or impromptu progress reports. This eases the professors' load and that of the students and promotes a better relationship between both parties.

3.4.3 Fill Gaps in Management Abilities

For instance, if a manager is weak in financial planning and analysis, a subordinate may informally assist in preparing reports through either suggestions or direct involvement. Act as a safety valve. Employees experience frustration, tension, and emotional problems with management and other employees. The informal group provides a means for relieving these emotional and psychological pressures by allowing a person to discuss them among friends openly and candidly. In faculty lounge conversations, frustrations with the dean, department head, or students are "blown off" among empathetic colleagues.

3.4.4 Encourage Improved Management Practices

Perhaps a subtle benefit of informal groups is that they encourage managers to prepare, plan, organize, and control in a more professional fashion. Managers who comprehend the power of the informal organization recognize that it is a "check and balance" on their use of authority. Changes and projects are introduced with more careful thought and consideration, knowing that the informal organization can easily kill a poorly planned project.

3.4.5 Understanding and Dealing with the Environmental Crisis

The IRG Solution -hierarchical incompetence and how to overcome it 1984, argued, that Central media and government type Hierarchical organizations could not adequately understand the environmental crisis we were manufacturing, or how to initiate adequate solutions. It argued that what was required, was the widespread introduction of informal networks or Information Routing Groups which were essentially a description of social networking services prior to the internet.

3.5 Business Approaches

1. Rapid growth. Starbucks, which grew from 100 employees to over 100,000 in just over a decade, provides structures to support improvisation. In a July 1998 Fast Company article on rapid growth, Starbucks chairman Howard Schultz said, "You can't grow if you're driven only by process, or only by the creative spirit. You've got to achieve a fragile balance between the two sides of the corporate brain."
2. Learning organization. Following a four-year study of the Toyota Production System, Steven J. Spear and H. Kent Bowen concluded in Harvard Business Review that the legendary flexibility of Toyota's operations is due to the way the scientific method is ingrained in its workers -not through formal training or manuals (the production system has never been written down) but through unwritten principles that govern how workers work, interact, construct, and learn.
3. Idea generation. Texas Instruments credits its "Lunatic Fringe"-"an informal and amorphous group of TI engineers (and their peers and contacts outside the company)," according to Fortune Magazine-for its recent successes. "There's this continuum between total chaos and total order," Gene Frantz, the hub of this informal network, explained to Fortune. "About 95% of the people in TI are total order and I thank God for them every day, because they create the products that allow

me to spend money. I'm down here in total chaos, that total chaos of innovation. As a company we recognize the difference between those two and encourage both to occur.

3.6 Related Concepts

Organizational behavior; organizational structure; organizational communication .Community; community of practice; knowledge management .Formal network; social network; value network; social Web .Network analysis; social network analysis; social network

4.0 CONCLUSION

We have discussed formal and informal organisations, stated the functions of informal organisations, listed the advantages and disadvantages of informal groups and explained business approaches and related concepts.

5.0 SUMMARY

In this unit, you have learnt about formal and informal organisations, the functions of informal organisations, the advantages and disadvantages of informal groups, business approached and related concepts.

6.0 TUTOR MARKED ASSIGNMENT

Explain what you understand by informal and formal organization ?

Mention Five disadvantages of informal groups?

How do we deal with Environmental crisis ?

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UNIT 3: ATTITUDES OF INDIVIDUALS

CONTENTS

- 1.0 Introduction
- 2.0 Objectives
- 3.0 Main Content
 - 3.1 Attitude
 - 3.2 The ABC Model of Attitude
 - 3.2.1 Cognitive Dissonance
 - 3.3 Attitude Formation
 - 3.4 Attitudes and Behaviour
 - 3.5 Work Attitudes
 - 3.5.1 Job Satisfaction
 - 3.5.2 Challenge
- 4.0 Conclusion
- 5.0 Summary
- 6.0 Tutor Marked Assignment
- 7.0 References/Further Readings

1.0 INTRODUCTION

In this unit, you will learn about attitude, the ABC model of attitude, attitude formation, attitudes and behaviour, work attitudes and job satisfaction.

2.0 OBJECTIVES

At the end of this unit, you should be able to:

- (i) define and explain attitude;
- (ii) describe the ABC model of attitude;
- (iii) explain attitude formation;
- (iv) differentiate between attitudes and behaviour;
- (v) discuss job satisfaction.

3.0 MAIN CONTENT

3.1 Attitude

Petty and Cacioppo (1991) define attitudes as individuals' general affective, cognitive and intentional responses toward objects, other people, themselves, or social issues (Petty and Cacioppo, 1991). They state that, as individuals, we respond favourably or unfavourably, toward many things: animals, co-workers, our own appearance and politics.

The importance of attitudes lies in their link to behaviour. For example, some people prefer either cats or dogs. Individuals who prefer cats may be friendly to cats, but hesitate in approaching dogs.

Attitudes are an integral part of the world of work. Managers speak of workers who have “bad attitudes” and conduct “attitude adjustment” talks with employees. Often, poor performance attributed to bad attitudes really stems from lack of motivation, minimal feedback, lack of trust in management, or other problems. These are areas that managers must explore.

You will agree that it is important for managers to understand the antecedents to attitudes as well as their consequences. Managers also need to understand the different components of attitudes, how attitudes are formed, the major attitudes that affect work behaviour, and how to use persuasion to change attitudes.

3.2 The ABC Model of Attitude

We tend to associate attitudes with surveys; therefore, we believe that to find out how a person feels about an issue, we simply ask him or her. This method is incomplete. However, to understand the complexity of an attitude, we can break it down into three components, as depicted in the table below.

Table 3.2. showing the ABC Model of an Attitude

S/N	Component	Measured By
A.	Affect	Physiological indicators Verbal statements about feelings
B.	Behavioural intentions Observed behaviour	Verbal statements about intentions
C.	Cognition	Attitude scales Verbal statements about beliefs

Source: Adapted from M.J. Rosenberg and C.I. Hovland, “Cognitive, Affective and Behavioural Components of Attitude”, M.J. Rosenberg, C.I. Hovland, W.J. McGuire, R.P. Abelson, and J.H. Brehm, Attitude Organisation and Change (New Haven: Yale University Press, 1970).

These components – affect, behavioural intentions and cognition, compose what we call the ABC model of an attitude.

Affect is the emotional component of an attitude. It refers to an individual’s feeling about something or someone. Statements such as: “I like this” or “I prefer that” reflect the affective component of an attitude (Rosenberg, et. al., 1970). Affect is measured by physiological indicators such as galvanic skin response (changes in electrical resistance in skin which indicate emotional arousal) and blood pressure. These indicators show changes in emotions by measuring physiological arousals. If an individual is trying to hide his or her feelings, this might be shown by a change in arousal.

The second component is the intention to behave in a certain way toward an object or person. Our attitudes toward women in management, for example, may be inferred from an observation of the way we behave toward a female supervisor. We may be supportive, passive, or hostile, depending on our attitude. The behavioural component of an attitude is measured by observing behaviour or by asking a person about behaviour or intentions. The statement “If I were asked to

“I’d be willing to try to do so, even though I’d be nervous” reflects a behavioural intention.

The third component of an attitude, cognition (thought), reflects a person’s perceptions or beliefs. Cognitive elements are evaluative beliefs and are measured by attitude scales or by asking about thoughts. The statement “I believe”, “I am sure”, is reflected by attitude scales or by asking about thoughts. The statement “I believe Nigerian workers are industrious” reflects the cognitive component of an attitude.

The ABC model shows that to thoroughly understand an attitude, we must assess all the three components. Suppose for example, you want to evaluate your employees’ attitude toward flextime (flexible work scheduling) or you want to determine how they feel about flextime (affect) or whether they would use flextime (behavioural intention) and what they think about the policy (cognition). The most common method of attitude measurement, the attitude scale, measures only the cognitive component.

3.2.1 Cognitive Dissonance

As rational beings, individuals try to be consistent in everything they believe in and do. They prefer consistently (consonance) between their attitudes and behaviour. Anything that disrupts this consistency causes tension (dissonance), which motivates individuals to change either their attitudes or their behaviour to return to a state of consistency. The tension produced when there is a conflict between attitudes and behaviour is Cognitive Dissonance.

Suppose for example, a salesperson is required to sell damaged televisions for the full retail price, without revealing the damage to customers. She believes, however, that doing so constitutes unethical behaviour. This creates a conflict between her attitude (concealing information from customers is unethical) and her behaviour (selling defective TVs without informing customers about the damage).

The salesperson, experiencing the discomfort from dissonance, will try to resolve the conflict. She might change her behaviour by refusing to sell the defective TV sets. Alternatively, she might rationalize that the defects are minor and that the customers will not be harmed by their lack of awareness of them. These are attempts by the salesperson to restore equilibrium between her attitudes and behaviour, thereby eliminating the tension from cognitive dissonance.

Managers need to understand cognitive dissonance because employees often find themselves in situations in which their attitudes conflict with their behaviour. They manage the tension by changing their attitudes or behaviour. Employees who display sudden shifts in behaviour may be attempting to reduce dissonance. Some employees find conflicts between thorough strongly held attitudes and required work behaviour so uncomfortable that they leave the organisation to escape the dissonance.

3.3 Attitude Formation

Attitudes are learned. Our responses to people and issues evolve over time. Two major influences on attitudes are direct experience and social learning.

Direct experience with an object or person is a powerful influence on attitudes. How do you know that you like biology or dislike mathematics? You have probably formed these attitudes from experience in studying the subjects. Research has shown that attitudes that are derived from direct experience are stronger, are held more confidently, and are more resistant to change, than are attitudes formed through indirect experience (Fazio and Zanna, 1978). One reason attitudes formed through direct experience are so powerful is because of their availability. This means that the attitudes are easily accessed and are active in our cognitive processes. When attitudes are available, we can call them quickly into consciousness. Attitudes that are not learned from direct experience are not as available, and therefore we do not recall them as easily as possible.

In social learning, the family, peer groups, religious organisations, and culture shape an individual's attitudes in an indirect manner. Children learn to adopt certain attitudes by the reinforcement they are given by their parents when they are very young express political preferences similar to their parents'. Peer pressure moulds attitudes through group acceptance (of individuals who express popular attitudes) and through sanctions (such as exclusion from the group) placed on individuals who espouse unpopular attitudes.

Substantial social learning occurs through modelling, in which individuals acquire attitudes by merely observing others. The observer overhears other individuals expressing an opinion or watches them engaging in a behaviour that reflects an attitude, and this attitude is adopted by the observer.

For an individual to learn from observing a model, four processes must take place. They are:

1. The learner must focus attention on the model.
2. The learner must retain what was observed from the model. Retention is accomplished in two basic ways: One way is for the learner to "stamp in" what was observed by forming a verbal code for it. The other way is through symbolic rehearsal, by which the learner forms a mental image of himself or herself behaving like the model.
3. Behavioural reproduction must occur; that is, the learner must practice the behaviour.
4. The learner must be motivated to learn from the model.

Culture also plays a definitive role in attitude development. Consider, for example, the contrast in the North American and European attitudes toward vacation and leisure. The typical vacation in the United States is two weeks, and some workers do not use all of their vacation time. In Europe, the norm is longer vacations; and in some countries, holidays mean everyone taking a month off. The European attitude is that an investment in longer vacations is important to health

and performance. Nigerians don't rest at all – no holiday or holiday/leave to be monetized, spent on paid activities.

3.4 Attitudes and Behaviour

If you have a favourable attitude toward participative management, will your management style be participative? As managers, if we know an employee's attitude, to what extent can we predict the person's behaviour? These questions illustrate the fundamental issue of attitude-behaviour correspondence; that is, the degree to which an attitude predicts behaviour.

This correspondence has concerned organisational behaviourists and social psychologists for quite some time. Some studies suggested that attitudes and behaviour are closely linked, while others found no relationship at all or a weak relationship at best. Attention then became focused on when attitudes predict behaviour and when they do not. Attitude-behaviour correspondence depends on five things, namely: specificity, attitude relevance, timing of measurement, personality factors, and social constraints.

Individuals possess both general and specific attitudes. You may favour women's right to reproductive freedom (a general attitude) and prefer pro-choice political candidate (a specific attitude). However, you may not attend pro-choice rallies or send money to Planned Parenthood. The fact that you don't perform these behaviours may make the link between your attitude and behaviour on this issue seem rather weak. However, given a choice between a pro-choice candidate. In this case, your attitude seems quite predictive of your behaviour. The point is that the greater the attitude specificity, the stronger its link to behaviour (Ajzen and Fishbein, 1997).

Another factor that affects the attitude-behaviour link is relevance. Attitudes that address an issue in which we have some self-interest are more relevant for us, and our subsequent behaviour is consistent with our expressed attitude.

The timing of the measurement also affects attitude-behaviour correspondence. The shorter the time between attitude measurement and the observed behaviour, the stronger is the relationship. For example, voter preference polls taken close to an election are more accurate than earlier polls are.

Personality factors also influence the attitude-behaviour link. One personality disposition that affects the consistency between attitudes and behaviour is self-monitoring. Low self-monitors rely on their internal states when making decisions about behaviour; while high self-monitors are more responsive to situational cues. Low self-monitors display greater correspondence between their attitudes and behaviours. High self-monitors display little correspondence between their attitudes and behaviour because they behave according to signals from others and from the environment (Snyder, 1976).

Finally, social constraints affect the relationship between attitudes and behaviour. The social context provides information about acceptable attitudes and behaviours. New employees in an organisation, for example, are exposed to the attitudes of their work group. Suppose a newcomer from Afghanistan holds a negative attitude toward women in management because in his country

the prevailing attitude is that women should not be in positions of power. He sees, however, that his work group members respond positively to their female supervisor. His own behaviour may therefore be compliant because of social constraints. This behaviour is inconsistent with his attitude and cultural belief system.

3.5 Work Attitudes

Attitudes at work are important, because directly or indirectly, they affect work behaviour. This was dramatically illustrated in a comparison of product quality among air conditioners manufactured in the United States versus those made in Japan. In general, there is a perception that Japanese products are of higher quality. The product quality of air conditioners from nine U.S. plants and seven Japanese plants was compared, and the results were bad news for the U.S. plants. The Japanese products had significantly fewer defects than the U.S. products.

The researchers continued their study by asking managers in both countries' plants about their attitudes toward various goals. Japanese supervisors reported that their companies had strong attitude favouring high-quality products, while U.S. supervisors reported quality goals to be less important. U.S. supervisors reported strong attitudes favouring the achievement of production scheduling goals, while Japanese supervisors indicated that schedules were less important. The researcher's conclusion was that the attitudes of U.S. managers toward quality were at least partly responsible for lower-quality products.

Although many work attitudes are important, two attitudes in particular have been emphasised. Job satisfaction and organisational commitment are key attitudes of interest to managers and researchers.

3.5.1 Job Satisfaction

Most of us believe that work should be a positive experience. Job satisfaction is a pleasurable or positive emotion state resulting from the appraisal of one's job or job experiences (Smith et. al., 2001). It has been treated both as a general attitude and as satisfaction with five specific dimensions of the job, namely: pay, the work itself, promotion opportunities, supervision and coworkers. You can assess your own job satisfaction by completing the Challenge in the table below.

3.5.2 Challenge

Think of the job you have now, or a job you have had in the past. Indicate how satisfied you are with each aspect of your job below, using the following scale:

- 1 = Extremely dissatisfied
- 2 = Dissatisfied
- 3 = Slightly dissatisfied
- 4 = Neutral
- 5 = Slightly satisfied
- 6 = Satisfied

7 = Extremely satisfied

Experiences:

1. The amount of job security I have.
2. The amount of pay and fringe benefits I receive.
3. The amount of personal growth and development I get in doing my job.
4. The people I talk to and work with on my job.
5. The degree of worthwhile accomplishment I get from doing my job.
6. The feeling of worthwhile accomplishment I get from doing my job.
7. The chance to get to know other people while on the job.
8. The amount of support and guidance I receive from my supervisor.
9. The degree to which I am fairly paid for what I contribute to this organisation.
10. The amount of independent thought and action I can exercise in my job.
11. How secure things look for me in the future in this organisation.
12. The chance to help other people while at work.
13. The amount of challenge in my job.
14. The overall quality of the supervision I receive on my work.

Now compute your scores for the facets of job satisfaction.

Pay satisfaction:

$Q2 + Q9 = \text{Divided by } 2:$

Security satisfaction:

$Q1 + Q11 = \text{Divided by } 2:$

Social satisfaction:

$Q4 + Q7 + Q12 = \text{Divided by } 3:$

Supervisory satisfaction:

$Q5 + Q8 + Q14 = \text{Divided by } 3:$

Growth satisfaction:

$Q3 + Q6 + Q10 + Q13 = \text{Divided by } 4:$

Scores on the facets range from 1 to 7 (scores lower than 4 suggest there is room for change and measuring personality variables and behavioural intentions may be able to demonstrate a link between job satisfaction and performance).

This questionnaire is an abbreviated version of the Job Diagnostic Survey, a widely used tool for assessing individual's attitudes about the jobs.

Source: R. Hackman/G. Oldham, Work Redesign, © 1980 by Addison-Wesley Publishing Company, Inc.

An individual may hold different attitudes toward various aspects of the job. For example, an employee may like her job responsibilities but be dissatisfied with the opportunities for promotion. Characteristics of individuals also affect job satisfaction. Those with high negative affectivity are more likely to be dissatisfied with their jobs. Challenging work, valued rewards, opportunities for advancement, competent supervision and supportive coworkers are dimensions of the job that can lead to satisfaction.

There are several measures of job satisfaction. One of the most widely used measures comes from the Job Descriptive Index (JDI). This index measures the specific facets of satisfaction by asking employees to respond yes, no, or cannot is the Minnesota Satisfaction Questionnaire (MSQ) (Weiss, et. al., 1969). This survey also asks employees to respond to statements about their jobs, using a five-point scale that ranges from very dissatisfied to very satisfy.

Are satisfied workers more productive? Or are more productive workers more satisfied? The link between satisfaction and performance has been widely explored. One view holds that satisfaction causes good performance. If this were true, then the manager's job would simply be to keep workers happy. Although this may be the case for certain individuals, job satisfaction of most people is one of the several causes of good performance.

Another view holds that good performance causes satisfaction. If this were true, managers would need to help employees perform well, and satisfaction would follow. However, some employees who are high performers are not satisfied with their jobs.

The research shows weak support for both view, but no simple, direct relationship between satisfaction and performance has been found. Laffaldona and Mush (1985) states that one reason for these results may be the difficulty of demonstrating the attitude-behaviour links. Another reason for the lack of a clear relationship is the intervening role of rewards. Employees who receive valued rewards are more satisfied. In addition, employees who receive rewards that are contingent on performance (the higher the performance, the larger the reward) tend to perform better. Rewards thus influence both satisfaction and performance. The key to influencing both satisfaction and performance through rewards is that the rewards are valued by employees and are tied directly to performance.

Job satisfaction has been shown to be related to many other important personal and organisational outcomes. People who are dissatisfied with their jobs are absent more frequently, are more likely to quit, and report more psychological and medical problems than do satisfied employees (Graffinand Batanun, 1986). In addition, job satisfaction may be related to organisational citizenship behaviour – behaviour that is above and beyond the call of duty. Satisfied employees are more likely to help their coworkers, make positive comments about the organisation from complaining when things at work do not go well. Going beyond the call of duty is especially important to organisations using teams to get work done. Employees depend on extra help from each other to get things accomplished.

Satisfied workers are more likely to want to give something back to the organisation because they want to reciprocate their positive experiences. Often, employees may feel that citizenship behaviours are not recognised because they occur outside the confines of normal job

responsibilities. Organisational citizenship behaviours do, however, influence performance evaluations. Employees who exhibit behaviours such as helping others, making suggestions for innovations, and developing their skills receive higher performance ratings (Lincoln, 1989).

Like all attitudes, job satisfaction is influenced by culture. One study found that Japanese workers reported significantly lower job satisfaction than did U.S. workers (Podsakoff, 2001). Interestingly, the study showed that job satisfaction in both Japan and the United States could be improved by participative techniques such as quality circles and social activities sponsored by the company. Research also has shown that executives in less industrialized countries have lower levels of job satisfaction.

Culture may also affect the factors that lead to job satisfaction. In comparison of employees in the United States and India, the factors differed substantially. Leadership style, pay and security influenced job satisfaction for the Americans. For the employees in India, however, recognition, innovation and the absence of conflict led to job satisfaction (Krishnan, 1984).

Because organisations face the challenge of operating in the global environment, managers understand that job satisfaction is significantly affected by culture. Employees from different cultures may have differing expectations of their jobs; thus, there may be no single prescription for increasing the job satisfaction of a multicultural workforce.

4.0 CONCLUSION

In conclusion, it can be deduced that individuals' attitude affect, to a large extent, their behaviour and job satisfaction.

5.0 SUMMARY

In this unit, we have defined and explained attitude, we have also described the ABC model of attitude. We explained attitude formation and differentiated between attitudes and behaviour. Finally, we also discussed job satisfaction.

6.0 TUTOR-MARKED ASSIGNMENT

Define Attitude and Behaviour

7.0 REFERENCES/FURTHER READINGS

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UNIT 4: PERSONALITY THEORIES

CONTENTS

- 1.0 Introduction
- 2.0 Objectives
- 3.0 Main Content
 - 3.1 Personality
 - 3.2 Personality Theories
 - 3.2.1 Trait theory
 - 3.2.2 Psychodynamic theory
 - 3.2.3 Humanistic theory
 - 3.2.4 Integrative Approach
 - 3.3 Personality Characteristics in Organisations
 - 3.3.1 Locus of Control
 - 3.3.2 Self-Esteem
 - 3.3.3 Self-Efficacy
 - 3.3.4 Self-Monitoring
 - 3.3.5 Positive/Negative Affect
 - 3.4 Understanding Cultural Differences
 - 3.4.1 Individualism versus Collectivism
 - 3.4.2 Power Distance
 - 3.4.3 Uncertainty Avoidance
 - 3.4.4 Masculinity versus Femininity
 - 3.4.5 Time Orientation
 - 3.5 Developing Cross-Cultural Sensitivity
- 4.0 Conclusion
- 5.0 Summary
- 6.0 Tutor Marked Assignment
- 7.0 References/Further Readings

1.0 INTRODUCTION

Individuals are unique in terms of their skills, abilities, personalities, perceptions, attitudes, values and ethics. These are just a few of the ways individuals may be similar to or different from another. Individual differences represent the essence of the challenge of management, because no two individuals are completely alike. Managers face the challenge of working with people who possess a multitude of individual characteristics, so the more managers understand individual differences, the better they can work with others. Figure below illustrates how individual differences affect human behaviour.

The basis for understanding individual differences stems from Lewin's early contention that behaviour is a function of the person and the environment (Schwartz, 1987). Lewin expressed this idea in an equation: $B = f(P, E)$, where B = behaviour; P = person; and E = environment. This idea has been developed by the interactional psychology approach (Lewin, 1951). Basically, this approach says that in order to understand human behaviour, we must know something about the person and something about the situation.

There are four basic propositions of interactional psychology, namely:

1. Behaviour is a function of a continuous, multidirectional interaction between the person and the situation.
2. The person is active in this process and both is changed by situations and changes situations.
3. People vary in many characteristics, including cognitive, affective, motivational, and ability factors.
4. Two interpretations of situations are important: the objective situation and the person's subjective view of the situation.

Figures showing Variables influencing Individual Behaviour

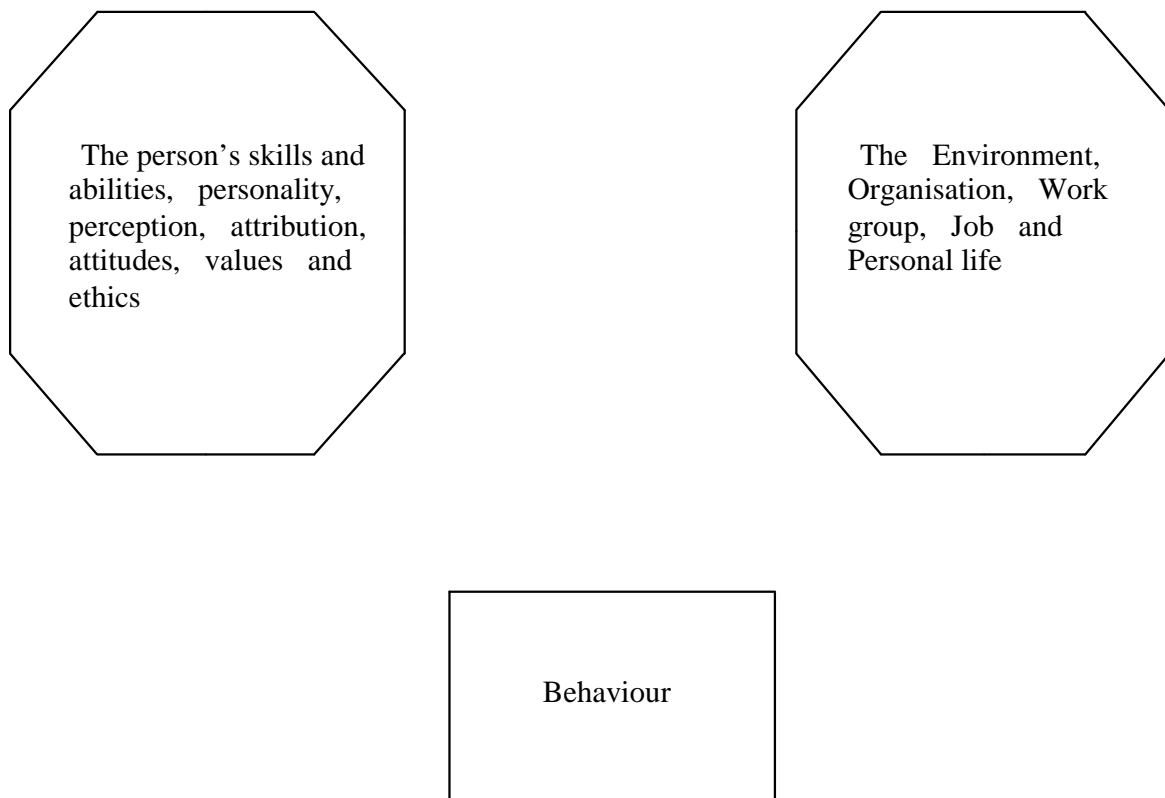


Fig 4.1

The interaction psychology approach points out the need to study both person and situations. The person consists of individual differences such as personality, perception, attribution, attitudes, values and ethics. The situation consists of the environment the person operate in, and it can include things like the organisation, work group, personal life situation, job characteristics and many other environmental influences. One important and fascinating individual difference is personality.

2.0 OBJECTIVES

At the end of this unit, you should be able to:

- (i) define personality and discuss personality theories;
- (ii) state and describe personality characteristics in organisations;
- (iii) discuss cultural differences;
- (iv) explain how to develop cross-cultural sensitivity

3.0 MAIN CONTENT

3.1 Personality

Personality is an individual difference that lends consistency to a person's behaviour.

Personality is defined as a relatively stable set of characteristics that influence an individual's Although there is debate about the determinants of personality, we conclude that there are several origins. One determinant is heredity, and some interesting studies have supported this position. Identical twins who are separated at birth and raised apart in very different situations have been found to share personality traits and job preferences. For example, about half of the variation in traits like extraversion, impulsiveness and flexibility was found to be genetically determined, that is, identical twins who grew up in different environments shared these traits. In addition, the twins held similar jobs. Thus, there does appear to be a genetic influence on personality.

Another determinant of personality is the environment a person is exposed to. Family influences, cultural influences, educational influences, and other environmental forces shape personality. Personality is, therefore, shaped by both heredity and environment.

3.2 Personality Theories

Four major theories of personality are the trait theory, psychodynamic theory, humanistic theory and the integrative approach. Each theory has influenced the study of personality in organisations.

3.2.1 Trait Theory

Some early personality researchers believed that to understand individuals, we must break down behaviour patterns into a series of observable traits. According to trait theory, combining these traits into a group forms an individual's personality.

Gordon Allport, a leading trait theorist, saw traits as broad, general guides that lend consistency to behaviour (Gross et. al., 1958). This definition is predicated upon thousands of traits which have been identified over the years. Gattell, another prominent trait theorist, identified sixteen traits that formed the basis for differences in individual behaviour. He described traits in bipolar adjective combinations such as self-assured/apprehensive, reserved/outgoing and submissive/dominant.

More recently, researchers have argued that all traits can be reduced to five basic factors. The “big five” traits include extraversion, agreeableness, conscientiousness, emotional stability and openness to experience (Taylor, 1912). Although there is evidence to support the existence of the big five traits, research is needed to see whether these five traits actually predict behaviour. Preliminary results indicate that one of the big five, conscientiousness, is related to job performance. Across five different occupations, people who were responsible, dependable, persistent, and achievement-oriented performed better than people who lacked conscientiousness.

The trait approach has been the subject of considerable criticism. Some theorists argue that simply identifying traits is not enough; instead, personality is dynamic and not completely stable. Further, trait theorists tended to ignore the influence of situation.

3.2.2 Psychodynamic Theory

Based on the work of Sigmund Freud, psychodynamic theory emphasises the unconscious determinants of behaviour (Kets and Miller, 1986). Freud saw personality as the interaction between three elements of personality; the ID, Ego and Superego. The ID is the most primitive element, the resource of drives and impulses that operates in an uncensored manner. The Superego, similar to what we know as conscience, contains values and the “should and should not” of the personality. There is an ongoing conflict between the ID and the Superego. The Ego serves to manage the conflict between the ID and the Superego. In this role, the Ego compromises, and the result is the individual’s use of defense mechanisms such as denial of reality. The contribution of psychodynamic theory to our understanding of personality is its focus of unconscious influence on behaviour.

3.2.3 Humanistic Theory

Carl Rogers believed that all people have a basic drive toward self-actualization, which is the quest to be all you can be. The humanistic theory focuses on individual growth and improvement. It is distinctly people-centred and also emphasises the individual’s view of the world. The humanistic approach contributes an understanding of the self to personality theory and contends that the self concept is the most important part of an individual’s personality.

3.2.4 Integrative Approach

Recently, researchers have taken a broader, more integrative approach to the study of personality. To capture its influence on behaviour, personality is described as a composite of the individual’s psychological processes. Personality dispositions include emotions, cognitions, attitudes, expectancies and fantasies (Elkind, 1931).

Dispositions, in this approach, simply mean the tendencies of individuals to respond to situations in consistent ways. Influenced by both genetics and experiences, dispositions can be modified. The integrative approach focuses on both person (dispositions) and situational variables as combined predictors of behaviour.

3.3 Personality Characteristics in Organisations

Managers should learn as much as possible about personality in order to understand their employees. Hundreds of personality characteristics have been identified. We have selected five characteristics because of their particular influences on individual behaviour in organisations. They include: locus of control, self-esteem, self-efficacy, self-monitoring and positive/negative affect.

3.3.1 Locus of Control

An individual's generalised belief about internal (self) versus external (situation or others) control is called locus of control (Foss and Rothenberg, 2007). People who believed they control what happens to them are said to have an internal locus of control, whereas people who believe that circumstances or other people control their fate have an external locus of control. Research on locus of control has strong implications for organisations. Internals (those with an internal locus of control) have been found to have higher job satisfaction, to be more likely to assume managerial positions, and to prefer participative management styles. In addition, internals have been shown to display higher work motivation, hold stronger beliefs that effort lead to performance, receive higher salaries and display less anxiety than externals (those with an external locus of control) (Ilgen, 1990).

Knowing about locus of control can prove valuable to managers, because internals believe that they can control what happens to them, they will want to exercise control in their work environment. Allowing internals considerable voice in how work is performed is important. Internals will not react well to being closely supervised. Externals, in contrast, may prefer a more structured work setting, and they may be more reluctant to participate in decision making.

3.3.2 Self-Esteem

Self-esteem is an individual's general feeling of self-worth. Individuals with high self-esteem have positive feelings about themselves, perceive themselves to have strengths as well as weaknesses, and believe their strengths are more important than their weaknesses. Individuals with low self-esteem view themselves negatively. They are more strongly affected by what other people think of them, and they compliment individuals who give them positive feedback while cutting down people who give them negative feedback (Shambaugh, 2001).

A person's self-esteem affects a host of other attitudes and has important implications for behaviour in organisations. People with high self-esteem perform better and are more satisfied with their job. When they are involved in a job search, they seek out higher-status job. A work team made up of individuals with high self-esteem is more likely to be successful than a team with lower average self-esteem.

Very high self-esteem may be too much of a good thing. When people with high self-esteem find themselves in stressful situations, they may brag inappropriately. This may be viewed negatively by others, who are spontaneous boasting as egotistical.

Self-esteem may be strongly affected by situations. Success tends to raise self-esteem, whereas failure tends to lower it. Given that high self-esteem is generally a positive characteristic; managers should encourage employees to raise their self-esteem by giving them appropriate challenges and opportunities for success. One company that believes in self-esteem is Fantastic Foods, as shown in the Organisation Reality feature.

3.3.3 Self-Efficacy

An individual's beliefs and expectancies about his or her ability to accomplish a specific task effectively are known as self-efficacy. Individuals with high self-efficacy believe that they have the ability to get things done, that they are capable of putting forth the effort to accomplish the task, and that they can overcome any obstacles to their success. There are four sources of self-efficacy: prior experiences, behaviour models (witnessing the success of others), persuasion from other people and assessment of current physical and emotional capabilities. Believing in one's own capability to get something done is an important facilitator of success. There is strong evidence that self-efficacy leads to high performance on a wide variety of physical and mental tasks (Dickson, 1939). High self-efficacy has also led to success in breaking addictions, increasing pain tolerance and recovering from illnesses.

Managers can help employees develop their self-efficacy. This can be done by providing job challenges, coaching and counselling for improved performance, and rewarding employees' achievements. Empowerment, or sharing power with employees, can be accomplished by interventions that help employees increase their self-esteem and self-efficacy (Selfridge and Sokolik, 1990). Given the increasing diversity of the workforce, managers may want to target their efforts toward women and minorities in particular. Research has indicated that women and minorities tend to have lower than average self-efficacy.

3.3.4 Self-Monitoring

A characteristic with great potential for affecting behaviour in organisation is self-monitoring, that is, the extent to which people base their behaviour on cues from people and situations. High self-monitors pay attention to what is appropriate in particular situations and to the behaviour of other people, and they behave accordingly. Low self-monitors, in contrast, are not as vigilant to situational cues and act from internal states rather than paying attention to the situation. As a result, the behaviour of low self-monitors is consistent across situations. High self-monitors, because their behaviour varies with the situation, appear to be more unpredictable and less consistent.

Researches currently focusing on the effects of self-monitoring in organisations revealed as follows: In one study, the authors tracked the careers of 139 MBAs for five years to see whether high self-monitors were more likely to be promoted, change employers, or make a job-related geographic move. The results were "yes" to each question. High self-monitors get promoted because they accomplish tasks through meeting the expectations of others. However, the high self-monitor's flexibility may not be suited for every job, and the tendency to move may not be the same for every organisation (Frandsen and Bell, 2000).

Although research on self-monitoring in organisations is in its early stages, we can speculate that high self-monitors respond more readily to work group norms, organisational culture, and supervisory feedback than do low self-monitors, who adhere more to internal guidelines for behaviour (“I am who I am”). In addition, high self-monitors may be enthusiastic participants in the trend toward work teams because of their ability to assume flexible roles.

3.3.5 Positive/Negative Affect

Recently, researchers have examined the effects of persistent mood dispositions at work. Individuals who focus on the positive aspects of themselves, other people, and the world in general are said to have positive affect. In contrast, those who accentuate the negative in themselves, others, and the world are said to possess negative affect (also referred to as negative affectivity). Interviewers who exhibit positive affect evaluate job candidates more favourably than do interviewers whose affect is neutral. Employees with positive affect are absent from work less often. Individuals with negative affect report more work stress. Individual affect also influences the work group. Negative individual affect produces negative group affect and this leads to less cooperative behaviour in the work group (Thurrow, 1992).

Positive affect is a definite asset in work settings. Managers can do several things to promote positive affect, including allowing participative decision making and providing pleasant working conditions. We need to know more about inducing positive affect in the workplace.

The characteristics previously described are but a few of the personality characteristics that affect behaviour in organisations. Can managers predict the behaviour of their employees by knowing their personalities? Not completely. The interactional psychology model requires both person and situation variables to predict behaviour. Another idea to remember in predicting behaviour is the strength of situational influences. Some situations are strong situations in that they overwhelm the effects of individual personalities. These situations are interpreted in the same way by different individuals, evoke agreement on the appropriate behaviour in the situation, and provide cues to appropriate behaviour. A performance appraisal session is an example of a strong situation. Employees known to listen to their boss and to contribute when asked to do so.

A weak situation, in contrast, is one that is open to many interpretations. It provides few cues to appropriate behaviour and no obvious rewards for one behaviour over another. Thus, individual personalities have a stronger influence in weak situations than in strong situations. An informal meeting without an agenda can be seen as a weak situation.

Organisations present combinations of strong and weak situations; therefore personality has a stronger effect on behaviour in some situations than in others.

3.4 Understanding Cultural Differences

One of the keys for any company competing in the global market place is to understand the diverse cultures of the individuals involved. Whether managing culturally diverse individuals

within a single location or managing individuals at remote locations around the globe, an appreciation of the differences among cultures is crucial.

Do cultural differences translate into differences in work-related attitudes? The pioneering work of Dutch researcher, Geert Hofstede (1991) has focused on this question. He and his colleagues surveyed 160,000 managers and employees of IBM who were represented in sixty countries. In this way, the researchers were able to study individuals from the same company in the same jobs, but working in different countries. Hofstede's work is important, because his studies showed that national culture explains more differences in work-related attitudes than does age, gender, profession, or position within the organisation. Thus, cultural differences do affect individuals' work-related attitudes. Hofstede found five dimensions of cultural differences that formed the basis for work-related attitudes. These dimensions are shown in the figure below.

Individualism	Collectivism
High power distance	Low power distance
High uncertainty avoidance	Low certainty avoidance
Masculinity	Femininity
Long-term orientation	Short-term orientation

3.4.1 Individualism versus Collectivism

In cultures where individualism predominates, people belong to loose social frameworks, but their primary concern is for themselves and their families. People are responsible for taking care of their own interests. They believe that individuals should make decisions. Cultures characterized by collectivism are tightly knit social frameworks in which individual members depend strongly on extended families and clans. Group decisions are valued and accepted.

The North American culture is individualistic in orientation. It is a "can-do" culture that values individual freedom and responsibility. In contrast, collectivist cultures emphasise group welfare and harmony. Israeli and the Japanese cultures are examples of societies in which group loyalty and unity are paramount. Organisation charts show these orientations. In Canada and the United States, which are individualistic cultures, organisation charts show individual positions. In Malaysia, which is a collectivist culture, organisation charts show only sections or departments (Redding and Martyn-Johns, 1979).

This dimension of cultural differences has other workplace implications. Individualistic managers, as found in Great Britain and the Netherlands, emphasise and encourage individual achievement. In contrast, collectivistic managers, such as in Japan and Colombia, seek to fit harmoniously within the group. They also encourage these behaviours among their employees.

3.4.2 Power Distance

The second dimension of cultural differences examines the acceptance of unequal distribution of power. In countries with a high power distance, bosses are afforded more power simply because they are the bosses. Titles are used, formality is the rule, and bypassing authority is seldom seen. Power holders are entitled to their privileges, and managers and employees see one another as fundamentally different kinds of people. India is a country with a high power distance.

In countries with a low power distance, people believe that inequality in society should be minimized. People at various power levels are less different from one another.

3.4.3 Uncertainty Avoidance

Some cultures are quite comfortable with ambiguity and uncertainty, whereas others do not tolerate these conditions. Cultures with high uncertainty avoidance are concerned with security and tend to avoid conflict. People have a need for consensus. The inherent uncertainty in life is a threat against which people in such cultures constantly struggle.

Cultures with low uncertainty avoidance are more tolerant of ambiguity. People are more willing to take risks and more tolerant of individual differences. Conflict is seen as constructive, and people accept dissenting viewpoints. Norway and Australia are characterised by low uncertainty avoidance, and this trait is seen in the value placed on job mobility. Japan and Italy are characterised by high uncertainty avoidance, so career stability is emphasised.

3.4.4 Masculinity versus Femininity

In cultures that are characterised by masculinity, assertiveness and materialism are valued. Men should be assertive, and women should be nurturing. Money and possessions are important and performance is what counts. Achievement is admired. Cultures that are characterised by **femininity emphasise relationships and concern for others. Men and women are expected to** assume both assertive and nurturing roles. Quality of life is important, and people and the environment are emphasised.

Masculine societies, such as in Austria, define gender roles strictly. Feminine societies, in contrast, tend to have gender roles that are blurred. Women may be the providers, and men may stay at home with the children. The Scandinavian countries of Norway, Sweden and Denmark exemplify the feminine orientation.

3.4.5 Time Orientation

Cultures also differ in time orientation, that is, whether the culture's values are oriented toward the future (long-term orientation) or toward the past and present (short-term orientation). In China, a culture with a long-term orientation, values such as thrift and persistence, which focus on the future, are emphasised. In Russia, the orientation is short-term. Values such as respect for tradition (past) and meeting social obligation (present) are emphasised.

Careers in management have taken on a global dimension. Working in transnational organisations will likely give managers the opportunity to work in other countries. Expatriate **managers, those who work in a country other than their home country, should know as much as possible** about cultural differences. Because many future managers will have global work experience, it is never too early to begin planning for this aspect of your career, begin gathering information about a country in which you would like to work including information on its culture.

Understanding cultural differences becomes especially important for companies that are considering opening foreign offices, because workplace customs can vary widely from one country to another. Carefully searching out this information in advance can help companies successfully manage foreign operations. Consulate offices and companies operating within the foreign country are excellent sources of information about national customs and legal requirements.

3.5 Developing Cross-Cultural Sensitivity

As organisations compete in the global marketplace, employees must learn to deal with individuals from diverse cultural backgrounds. Stereotypes may pervade employees' perceptions of other cultures. In addition, employees may be unaware of others' perceptions of the employees' national culture. A potentially valuable exercise is to ask members from various cultures to describe one another's cultures. This provides a lesson on the misinterpretation of culture (Cox, 1991).

Cultural sensitivity training is a popular method for helping employees recognise and appreciate cultural differences. Northern Telecom, for example, conducts a sixteen-hour training program to help employees modify negative attitudes toward individuals from different cultures.

Another way of developing sensitivity is to use cross-cultural task forces or teams. The Milwaukee-based GE Medical Systems Group (GEMS) has over 7,000 of its 15,000 employees working outside the United States. GEMS have developed a vehicle for bringing managers from each of its three regions (the Americas, Europe and Asia) together to work on a variety of business projects. The plan is called the Global Leadership Program, and several work groups made up of managers from various regions of the world are formed in the program. The ~~work~~ **work** on important projects, such as worldwide employee integration to increase the employees' sense of belonging throughout the GEMS international organisation (Brandt, 1992).

The globalization of business affects all parts of the organisation, and human resources management is affected in particular. Companies have employees around the world; and human resources managers face the daunting task of effectively supporting a culturally diverse work force. Human resource managers must adopt a global view of all functions, including human resources planning, recruitment and selection, compensation, and training and development. They must have a working knowledge of the legal systems in various countries as well as of global economies, culture and customs. Global human resources management is a complex endeavour, but it is critical to the success of organisations in the global marketplace.

Globalization is one challenge managers must face in order to remain competitive in the changing world. Related to globalization is the challenge of managing an increasingly diverse workforce. Cultural differences contribute a great deal to the diversity of the workforce, but there are other forms of diversity as well.

4.0 CONCLUSION

It can be concluded from the study in this unit that cultural differences contribute a great deal to the diversity of the workforce, but there are other forms of diversity as well. There is also the challenges of globalization and diversity of the workforce which managers must address if they are to remain competitive in the changing world

5.0 SUMMARY

In this unit, we have:

- defined personality and discuss personality theories;
- stated and described personality characteristics in organisations;
- discussed cultural differences;
- explained how to develop cross-cultural sensitivity

6.0 TUTOR-MARKED ASSIGNMENT

Define Personality ?

Explained how to develop cross- cultural sensitivity ?

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UNIT 5: POWER AND AUTHORITY

CONTENTS

- 1.0 Introduction
- 2.0 Objectives
- 3.0 Main Content
 - 3.1 Power and Authority – Definition
 - 3.1.1 Traditional
 - 3.1.2 Charismatic
 - 3.1.3 Rational/Legal
 - 3.2 Control
 - 3.2.1 Simple control
 - 3.2.2 Technical control
 - 3.2.3 Bureaucratic control
 - 3.3 Power and Legitimacy
 - 3.4 Psychology of Authority
 - 3.5 Exercising Authority
- 4.0 Conclusion
- 5.0 Summary
- 6.0 Tutor-Marked Assignment
- 7.0 References/Further Readings

1.0 INTRODUCTION

In this unit, we shall define power and authority; explain the three types of authority, control and the three forms of control. We shall also discuss power and its legitimacy, psychology of authority and how to exercise authority.

2.0 OBJECTIVES

At the end of this unit, you should be able to:

- (i) define power, authority and control;
- (ii) list and explain the three types of authority and control;
- (iii) discuss power and legitimacy, psychology of authority and how to exercise authority.

3.0 MAIN CONTENT

3.1 Power and Authority – Definition

Power and authority are very important topics in understanding organisations and management, Since they tend to be ignored by economic accounts. A standard definition of power is that given by Dahl . The basic idea is that we have power over someone else to the extent that we can get that person to do something that otherwise they would not want to do. That is, we can get someone to act in a way that he/she considers to be contrary to his/her interests.

The most obvious source of power is control over some thing of value to someone else. For example, an important source of power for some managers is control over bonuses, influence over promotion decisions, and so on. This is the root of what is sometimes called "dependency theory:" A has power over B if A controls something valued by B which B cannot obtain from another source. This emphasises the relational nature of power: we can usually only speak of someone being more or less powerful than someone else, rather than of some absolute level of power. When we describe someone as being powerful, what we mean is that he or she has power over many people.

The dependency model also points to possibility that power might be balanced. A's control over something of value to B will not confer power if B also controls something that A wants. Normally, both parties will control something of value to the other. If B didn't have something of value to A, why would A be trying to get B to act in a particular way? It might be some ~~kind of~~ knowledge, or simply time that A needs. So B is not totally without power. The question then becomes the relative value of the resources controlled. This is summed up in the phrase "everyone has his price." This implies that if A has control over sufficiently valuable resources, he will be able to get B to do what he wants. However, this phrase also implies that there are "prices" below which B will refuse to accede to A's demands - most people would have limits beyond which they would not go even at the cost of losing a bonus, promotion or even their job. Furthermore, there is no guarantee that A will be willing to pay the price that B requires to accede to A's demands.

This argument implies that there is no one in an organization who has no power, unless he or she is truly "redundant." Power is not the exclusive preserve of managers. It is not difficult to think of factors that might affect the power of other employees. For example, the more rare a skill, the more power the possessor of the skill will have. Employees would be expected to have more power when unemployment is low, since labour will be in shorter supply. There are many potential sources of power -these are well described in textbooks, such as Morgan.

Dahl's definition of power implies that there is some conflict of interest involved in power use. So, power is more likely to be used when there is disagreement about goals. This is important, as one important management function that is increasingly stressed is to generate a sense of commonality of interest among all the employees of an organization. Even Fayol pointed to the importance of "esprit de corps", while Barnard argued that the most important function of the executive was to make employees believe that their interests were aligned with those of the corporation for which they worked. More recently, the interest in corporate culture also recognises the importance of people identifying with their employer. One of the reasons this is important is that it makes conflict less likely, and therefore power in the traditional sense becomes less important. It is less necessary to exercise tight control over employees, and there is more scope for delegation.

Some, however, have argued that this is really power use in a more subtle form. Managers, by manipulating an organisation's culture are effectively influencing people's attitudes and beliefs, in the same way that politicians might use "propaganda" to influence people. Managers are clearly much more able to achieve this than anyone else in the organization. In so doing they may be able to get people to do the same things they could by using more overt power -the

"carrot and stick" approach," -but without any overt conflict. So, the ability to influence people in this way could be seen as a very effective form of power, even though it does not fit easily into the standard definition.

Another very important concept is authority. Authority is a special form of power, special in the sense that it implies voluntary acquiescence on the part of subordinates who recognise the legitimate right of their superior to give orders. It is important to know Weber's contribution to our understanding of authority. Weber identified three forms of authority:

1. Traditional
2. Charismatic
3. Rational/legal

3.1.1 Traditional

Traditional and charismatic authority are vested in particular individuals. Rational/legal authority is vested in an office (or the person occupying it for the time being). Traditional authority is vested in someone by virtue of tradition and custom. The most obvious examples are royalty. They are considered to be able to give orders (and have them obeyed) purely by virtue of their "station in life," and not as a result of any abilities they might have.

3.1.2 Charismatic

Charismatic authority is vested in someone by virtue of his personality. A religious leader, for example, might generate strong feelings of loyalty and commitment among his or her followers. To some extent, this is based on followers' assessment of the person's abilities, so it might be thought to be more "rational" than traditional authority. The authority rests purely with the individual concerned.

3.1.3 Rational/Legal

Rational/legal authority is that which Weber associated with bureaucratic organisations. It is vested in the holder of an office. An important source of the legitimacy of the authority comes the way in which a person is selected for office. For example, the legitimacy of the Prime Minister derives from the democratic process by which he or she is selected. The legitimacy of an official comes from the belief that he or she was selected in a fair competition: the job was advertised publicly so anyone could apply, reasonable criteria were used in deciding who would be suitable, and fair methods were used to determine which of the applicants best met these criteria. The authority of a politician is undermined if he or she is thought to have lost the confidence of the electorate, as reflected by the fact that a government that loses a "vote of confidence" in the House of Commons must resign. The authority of an official would be undermined if it was felt that a fair process was not followed -for example, that personal connections were more important than qualifications.

Where someone has authority, however, it is clearly a particularly useful form of power since you can expect your orders to be carried out without the implicit bargaining that is involved in the dependency model. Nevertheless, there are limits even to authority. If people make demands that are seen as unreasonable, this will eventually undermine their authority. If people give

subordinates reason to believe they are not in fact well qualified for the job, their authority will be undermined. Authority is rarely, if ever, granted unconditionally.

It is important not to confuse this formal definition of authority with "being in a position of authority," meaning only that someone occupies an elevated position in an organisation's hierarchy. We would normally expect such a person to have authority, but we can easily think of examples where senior managers do not in fact have the authority we would associate with their formal position. Manager's authority can be undermined if they are seen to be ineffectual, to lack expertise, or generally to be undeserving of 'respect.'

3.2 Control

It's also worth briefly mentioning the issue of control. In your essays on this subject, many people mentioned control over resources. Control is also sometimes used in a more general sense, as in the expression "co-ordination and control," to mean general ability to direct and organise the efforts of the workforce. Different types of control have been identified:

1. Simple control
2. Technical control
3. Bureaucratic control

3.2.1 Simple Control

Simple control refers to control by straightforward direct supervision. It is the sort of control you might expect to find in a small factory. It is often associated with the first factories of the industrial revolution, and the ability to exercise such control is thought by many to be a big advantage of the factory system. Such control obviously implies the use of power by supervisors.

3.2.2 Technical Control

Technical control refers to control that is imposed by the technology used in a factory. For example, the pace at which people must work on a production line is determined in part by speed at which the line runs. The use of power here is more subtle, but is nevertheless clearly in the hands of the managers that control the technology.

3.2.3 Bureaucratic Control

Bureaucratic control refers to control by means of formal rules and regulations. Bureaucratic organisations typically have large books of rules which specify things like hours of work, entitlement to time off under various circumstances (e.g., annual leave, compassionate leave, maternity leave, etc.), grievance procedures, and so on. There are also rules or "standard operating procedures" that people must follow in the course of their work. This form of control involves a still more subtle form of power. One might almost think of the rules as having a sort of authority, legitimated by people's understanding about the way in which the rules were derived -typically assumed to be some sort of "rational" process. Further legitimacy might be obtained by the involvement of employee representatives in writing the rules.

The term "authority" refers to an abstract concept with both sociological and psychological components. As a child born of a myriad of different social situations which have some rough similarities, no easy definition exists. Of particular concern throughout the literature on the topic is the entanglement of the concepts of authority, power, and legitimacy. This is a concern not only in the abstract (by which I mean that scholars discuss and disagree on how the three are entangled), but also in the concrete because scholars themselves are often guilty of entangling them. One is defined as a function of the other and vice-versa until the reader doesn't know where to turn anymore for help.

3.3 Power and Legitimacy

Power is the ability, whether personal or social, to get things done -either to enforce one's own will or to enforce the collective will of some group over others. Legitimacy is a socially constructed and psychologically accepted right to exercise power. A person can have legitimacy but no actual power (the legitimate king might reside in exile, destitute and forgotten). A person can have actual power but not legitimacy (the usurper who exiled the king and appropriates the symbols of office). Here, now, we begin to approach an understanding of what authority is because in all social situations a person is treated as an authority only when they have both power and legitimacy. We might consider, for example, the phrase uttered so often when someone intrudes into our business in order to give commands: "You have no authority here."

What does that mean? It might mean that the person has no legitimate claim to be heard or heeded. It might mean that the person has no social power -he has not the ability to enforce his will over the objections of others. Or, it might be both. In any event, both must be present for authority to exist (socially) and be acknowledged (psychologically).

3.4 Psychology of Authority

This is still not quite enough, however, because it defines authority a bit too closely to the concepts of legitimacy and power. When a person has authority over others, it means something a bit more than simply that they have a right to exercise existing power.

The term "authority" refers to an abstract concept with both sociological and psychological components. As a child born of a myriad of different social situations which have some rough similarities, no easy definition exists. Of particular concern throughout the literature on the topic is the entanglement of the concepts of authority, power, and legitimacy. This is a concern not only in the abstract (by which I mean that scholars discuss and disagree on how the three are entangled), but also in the concrete because scholars themselves are often guilty of entangling them. One is defined as a function of the other and vice-versa until the reader doesn't know where to turn anymore for help.

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This is still not quite enough, however, because it defines authority a bit too closely to the concepts of legitimacy and power. When a person has authority over others, it means something a bit more than simply that they have a right to exercise existing power. The missing ingredient is psychological – the previously mentioned but not explicated issue of acknowledgement. Both power and legitimacy are social in that they exist in the interplay between two or more humans. Yet what goes on in the mind of person when he acknowledges the authority of another?

It isn't simply that he accepts the factual existence of power or legitimacy; rather, it's also that he accepts that an authority figure is justified in making a decision without also explaining the *reason for that decision and persuading others to accept that the decision was reached properly*. The importance of this is not too difficult to see.

3.5 Exercising Authority

If I have authority over you, I can expect that when I make a decision you will go along with that decision, even if I don't take the time to explain it to you and persuade you that it is indeed right. In turn, your acceptance of me as an authority implies that you have already agreed to be persuaded, implicitly, and won't demand explicit explanations and reasons.

Once I begin to explain my reasoning process and get you to agree that my conclusion was the proper one, and then you have reached your own decision. When you act, it won't be because of me enforcing my will over you, nor will it have anything to do with the legitimacy of my power. Instead, it will simply be you exercising your will for your own reasons.

Consider the appropriate example of a priest as a religious authority over a congregation. This priest has the legitimate social power to see that his will and that of his superiors is enforced over the membership of the congregation. More than this, however, we must understand that those members have implicitly accepted that the priest does not need to patiently reason with each one of them in turn in order to get them to independently agree to the decisions in question. Why doesn't the priest explain everything? There can be many reasons -perhaps members of the congregation lack the sophisticated training necessary in order to understand them, or maybe there just isn't enough time. What's important is that the priest could explain things, but doesn't - authority means not having to explain everything but being able to wield legitimate power anyway.

Only in a community of infinitely rational individuals with an infinite amount of time would it be possible for everything to be fully explained all of the time. In the real world, however, we must rely upon authority figures to make decisions for us. As a part of this, we invest them with the power and legitimacy necessary to cause those decisions to be meaningful and relevant.

4.0 CONCLUSION

We have discussed the concepts 'power' and 'authority'. We also defined control and discussed the three forms of controls. We further discussed power and legitimacy, psychology of authority and how to exercise authority.

5.0 SUMMARY

In this unit, you have learnt about 'power' and 'authority'. You have also learnt about the definition of control and the three forms of controls. You further learnt about power and legitimacy, psychology of authority and how to exercise authority.

6.0 TUTOR MARKED ASSIGNMENT

List and explain the three types of authority and control ?

7.0 REFERENCES/FURTHER READINGS

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MODULE 3 FOUNDATIONS OF ORGANISATION STRUCTURE

- Unit 1 Determinants of Structure
- Unit 2 Models of Organisational Structure
- Unit 3 Centralization and Decentralization
- Unit 4 Organisational Leadership
- Unit 5 Organisational Dynamics of Change

UNIT 1: DETERMINANTS OF STRUCTURE

Table of Contents

- 1.0 Introduction
- 2.0 Objectives
- 3.0 Main Content
 - 3.1 Contingency Theory
 - 3.1.1 Size
 - 3.1.2 Technology/Task
 - 3.2 Environment
 - 3.2.1 Adaptation
 - 3.2.2 Natural Selection
 - 3.2.3 Dependence
 - 3.2.4 Institutionalization
- 4.0 Conclusion
- 5.0 Summary
- 6.0 Tutor Marked Assignment
- 7.0 References and Further Readings

1.0 INTRODUCTION

The objective here is to understand why organisations have the structure that they do. By “structure”, we mean things like degree and type of horizontal differentiation, vertical differentiation, mechanisms of coordination and control, formalization, and centralisation of power. See recommended textbooks for more information on organisation structure.

According to Taylor, Fayol, Weber and other classical theorists, there is a single best way for organization to be structured. Yet organisations vary considerably on structural attributes. The objective of much research has been to understand what determines these variations. Is it random or systematic? Are some organisations simply less perfect than others, or are different designs better for different situations?

2.0 OBJECTIVES

At the end of this unit, you should be able to:

- (i) define and explain contingency theory;

- (ii) list the components of contingency theory;
- (iii) describe components of environment.

3.0 MAIN CONTENT

3.1 Contingency Theory

In contrast to the classical scholars, most theorists today believe that there is no one best way to organise. What is important is that there be a fit between the organisation's structure, its size, its technology, and the requirements of its environment. This perspective is known as "contingency theory" and contrasts with the perspective of classical theorists like Weber, Taylor, Fayol, etc. who thought that there probably was one way to run organisations that was the best.

3.1.1 Size

This refers to capacity, number of personnel, outputs (customers, sales), resources (wealth). Blau's studies show that differentiation (# of levels, departments, job titles) increases with size, but at a decreasing rate. In contrast, the percentage of the organisation that is involved in administrative overhead declines with size, leading to economies of scale.

Increasing size is also related to increase structuring of organizations activities but decreased concentration of power.

Managerial practices, such as flexibility in personnel assignments, extent of delegation of authority, and emphasis on results rather than procedures, are related to the size of the unit managed.

3.1.2 Technology/Task

Consider check processing at a bank. This activity is usually performed by a business unit that is highly formalised, has a great deal of specialisation and division of labour, and high centralisation of decision-making. In contrast, the creative section of an advertising agency is usually not formalised at all, the division of labour is often blurry, and it is highly decentralized.

It appears that certain activities naturally "go with" certain structures. Joan Woodward found that by knowing an organisation's primary system of production, you could predict their structure:

Unit production/small batch: Companies that make one-of-a-kind custom products, or small quantities of products (e.g., ship building, aircraft manufacture, furniture maker, tailors, printers of engraved wedding invitation, surgical teams).

- In these companies, typically, people's skills and knowledge is more important than the machines used.
- Relatively expensive to operate: work process is unpredictable, hard to pre-program or automate.
- Flat organisation (few levels of hierarchy).

- CEO has low span of control (direct reports).
- Relatively low percentage of managers.
- Organic structure (see handout).

Mass production/large batch: *Companies that sell huge volumes of identical products (e.g., cars, razor blades, aluminum cans, toasters).* Make heavy use of automation and assembly lines. Typically,

- bigger than small batch
- taller hierarchies
- bottom level is huge (supervisor span of control is 48)
- relatively greater number of managers (because hierarchy is so tall)
- mechanistic, bureaucratic structure
- relatively cheap to operate.

Continuous Production: *Primarily companies that refine liquids and powders (e.g., chemical companies, oil refineries, bakeries, dairies, distilleries/breweries, electric power plants).* Machines do everything; humans just monitor the machines and plan changes.

- These organisations are tall and thin or even inverted pyramid: almost nobody at the bottom
- At the very top there is an organic structure
- Lower levels more mechanistic, but because machines do everything, there is not much paper work, low level supervision, etc.

Chick Perrow '67 looked at how the frequency and type of exceptions that occurred during production affected structure. Two types of exceptions: (a) can be solved via orderly, analytic search process (like mechanic fixing car), (b) no analytic framework, rely on intuition, guesswork (like advertising, film-making, fusion research).

Few Exceptions		Many Exceptions	
Un-analyzable	Pottery, specialty glass, motel room artwork; plumbing; computer technical support (craftwork)	Film making; aerospace; (non routine research) Tasks that no one really knows how to do: work on intuition, implicit knowledge	
	Routine work, but when problems crop up, it is hard to figure what to do		
Analyzable	Routine, like screws; (routine manufacturing) the few problems that occur are usually easy to understand	Custom machinery, building dams; (engineering production) the application of well-known principles and technologies to lots of new and different situations	

It turns out that bottom left organisations (analyzable and few exceptions) tend to be highly centralized and formalised – in short, bureaucracies. Bureaucracies are the best possible

organisational form when the task is well-understood, and how to best execute it can be specified in advance.

At the other extreme, the top right organisations (unanalyzable and many exceptions) are not well handled by bureaucracies. There are so many exceptions and new situations that having a set of formal procedures which specify how to handle every situation is out of the question. City Organisations in this box tend to be highly decentralized and use informal means of coordination and control. The reasons have to do with human bounded rationality. (Bounded rationality refers to the fact that since humans have limited brain capacity, we cannot always find the absolute optimal solution to a given problem – we only have the time and capacity to consider a few possible solutions, and choose the best among those. But we can't consider all possible solutions). Really complex systems are difficult to pre-plan: there are too many contingencies. We simply can't figure it all out. Need to allow for real-time, flexible adjustment.

3.2 Environment

This will be discussed under the following sub-topics:

3.2.1 Adaptation

Organisations actively adapt to their environments. For example, organisations facing complex, highly uncertain environments typically differentiate so that each organizational unit is facing a smaller, more certain problem. For example, if Japanese tastes in cars are quite different from American tastes, it is really hard to make a single car that appeals to both markets. It is easier to create two separate business units, one that makes cars for the Japanese market, and the other that makes cars for the US market.

3.2.2 Natural Selection

Organisations whose structures are not fitted to the environment (which includes other organisations, communities, customers, governments etc.) will not perform well and will fail. Most new organisations fail within the first few years.

If the environment is stable, this selection process will lead to most organisations being well-adapted to the environment, not because they all changed themselves, but because those that were not well-adapted will have died off.

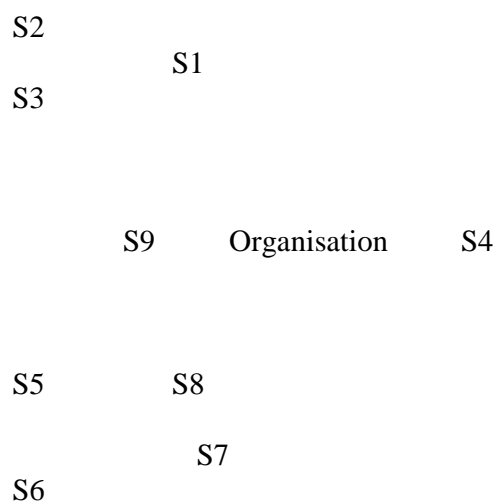
3.2.3 Dependence

The economy is a giant network of organisations linked by buying and selling relationships. Every company has suppliers (inputs) and customers (outputs). Every company is dependent on both their suppliers and their customers for resources and money. To the extent that a company needs its suppliers less than they need it, the company has power. That is, power is a function of asymmetric mutual dependence. Dependence is itself a function of the availability of alternative supply. A depends on B to the extent that there are few alternatives to B that are available to A. Dependence is also a function of how much A needs what B has got. If the Post

It's company starts to play hardball with you, and there are no good alternatives, it's still not a big deal because Post It's are just not that important.

Organisations that have power over others are able to impose elements of structure on them. For example, GM is famous for imposing accounting systems, cost controls, manufacturing techniques on their suppliers.

The sets of entities in an organisation's environment that play a role in the organisation's health and performance, or which are affected by the organisation, are called stakeholders. Stakeholders have interests in what the organisation does, and may or may not have the power to influence the organisation to protect their interests. Stakeholders are varied and their interests may coincide on some issues and not others. Therefore, you find stakeholders both cooperating with each other in alliances, and competing with each other.



Unconnected stakeholders

Fig 1.1

When stakeholders are unconnected to each other (as in Figure 1), the organisation usually has an easier time of playing the different parties off one another. For example, it can represent its goals and needs differently to each stakeholder, without fear of being found out. Or, such competitive stakeholders into outbidding each other (e.g., a university can tell one alumnus that another alumnus is about to give a huge donation). Furthermore, when the stakeholders are unconnected, they cannot coordinate their efforts, and so have trouble controlling the organisation.

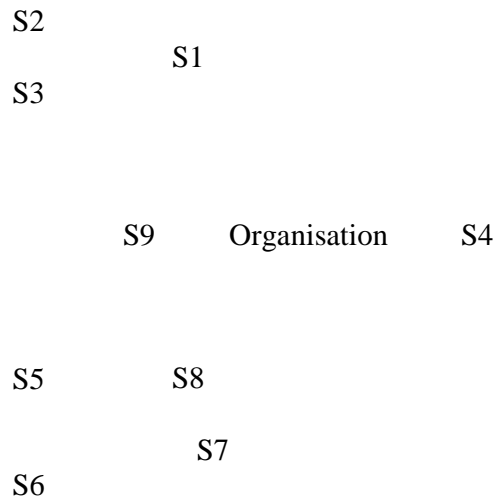


Fig 1. 2: Well-connected stakeholders

In contrast, when the stakeholders are well-connected (as in Figure 2), the organisation cannot represent itself differently to each one, or it will be found out. Furthermore, if the bonds among the stakeholders are closer than the bonds with the organisation, the stakeholders may side with each other against the organisation, and won't act in ways that negatively affect other stakeholders.

3.2.4 Institutionalization

Under conditions of uncertainty, organisations imitate others that appear to be successful. In other words, if nobody really knows what makes a movie successful, and then somebody has a blockbuster hit, everybody else copies the movies, and the organisational structure that produced the movie, hoping that they will get the same results. This can cause whole industries to adopt similar structural features.

One reason why this happens is the fear of litigation or simply blame. If several well-known, successful companies start adopting some new management style – say, self-governing teams – and you don't because you know it's not appropriate for your company, and then things start to go wrong for your company, people will say 'see? You should have adopted self-governing teams. We told you so'. So to avoid that, if the top companies in a field all adopt some new style, then all the others do so to avoid being blamed.

In addition, diffusion of ideas due to personnel transfer and professional school training can create uniformity as well.

4.0 CONCLUSION

Organisations are structured based on contingency theory and the environment in which they are situated. Other variants of these two components include size and technology/task (for

contingency theory) and adaptation, natural selection, dependence and institutionalization (for environment).

5.0 SUMMARY

In this unit, we have discussed contingency theory and environments as the components required for determining the structure of an organisation.

6.0 TUTOR MARKED ASSIGNMENT

Explain unconnected stakeholders and well-connected stakeholders

7.0 REFERENCES AND FURTHER READINGS

French, W.L. Kast, F .E .& Rosenzweig, J . E. (1985) . Understanding Human Behaviour in Organization, New York : Harper and Row.

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UNIT 2: MODELS OF ORGANISATION STRUCTURE

CONTENTS

- 1.0 Introduction
- 2.0 Objectives
- 3.0 Main Content
 - 3.1 The Meaning and Nature of Organisation Structure
 - 3.1.1 Meaning of Organisation Structure
 - 3.1.2 Dimensions of Structure
 - 3.2 Levels of Organisation Structure
 - 3.3 Dimensions of People – Organisation Relationship
 - 3.3.2 Clarification of Tasks
 - 3.3.1 Clarification of Objectives
 - 3.3.3 The Division of Work
 - 3.4 Forms of Relationship in Organization
 - 3.5 Types of Organizational Structure
 - 3.6 Common Features of Organisations
 - 3.7 Influence of Technology on Organization
 - 3.8 Problems of Work Organisation
- 4.0 Conclusion
 - 1.0 Summary
 - 2.0 Tutor Marked Assignment
 - 3.0 References and Further Reading

1.0 INTRODUCTION

In every organization, there exists some positions and responsibilities arising from the operations associated with the mission, goals and objectives for the existence of the organization. The formal distribution of tasks, the definition of authority and responsibility and the relationship between members of the organisation is usually established on the basis of an organizational structure. Organization may exist on a small scale basis, which can allow the distribution of authority and responsibilities on somehow informal basis. However, as the organization grows, with increasing size, there is greater need for a carefully designed and purposeful form of organizational structure. This calls for the entrenchment of a formal structure. The structure cannot, in most cases, be held sacrosanct in all operational situations. Hence, there is also need for a continual review of the structure to ensure that it is the most appropriate form for a particular organizational development, and in keeping with the dictates of both the internal and external environment.

In this study unit, therefore, you will be taken through the general overview of the field of organizational behaviour.

2.0 OBJECTIVES

At the end of this unit, you should be to:

- explain the meaning of organizational structure
- identify and explain levels of organization structure
- mention and discuss dimensions of people-organization relationship
- identify and explain forms of relationship in organization
- mention and discuss types of organizational structure
- identify and explain common features of organizations
- discuss how technology impacts on organization
- identify and analyze problems inherent in work organization.

3.0 MAIN CONTENT

3.1 The Meaning and Nature of Organisation Structure

3.1.1 Meaning of Organisation Structure

According to Mullins (2000), structure is the pattern of relationships along positions in the organisation and among members of the organisation. The purpose of structure is the division of work among members of the organisation, and the coordination of their activities so they are directed towards achieving the goals and objectives of the organisation. The structure defines tasks and responsibilities, work roles and relationships and channels of communication.

Structure makes possible the application of the process of management and creates a framework of order and command through which the activities of the organisation can be planned, organised, directed and controlled.

According to Drucker (1989) the organisation structure should satisfy three requirements. These requirements are as follows:

- It must be organised for business performance.

The more direct and simple the structure the more efficient it is because there is less change needed in the individual activities directed to business performance and results. Structure should not rest on past achievements but be geared to future demands and growth of the organisation.

- The structure should contain the least possible number of management levels.

The chain of command should be as short as possible. Every additional level makes for difficulties in direction and mutual understanding, distorts objectives, sets up additional stresses, creates inertia and slack, and increases the difficulties of the development of future managers moving up through the chain. The number of levels will tend to grow by themselves without the application of proper principles of organisation.

- Organisation structure must make possible the training and testing of future top **management.**

In addition to their training, future managers should be tested before they reach the top. They should be given autonomy in positions of actual managerial responsibility while still young enough to benefit from the new experience. They should also have the opportunity of at least observing the operation of the business as a whole, and not be narrowed by too long an experience in the position of a functional specialist.

Drucker suggests that, in order to satisfy these three requirements, the organisation structure must be based preferably on the principle of regional decentralisation, with activities integrated into autonomous product businesses with their own product and market, and with responsibility for their profit and loss. According to Drucker, if regional decentralisation is not possible then the organisation structure should be based on the principle of functional decentralisation with integrated units having the maximum responsibility for major and distinct stages of the business process.

The objectives of organizational Structure, according to Knight (1977), are as follows:

- i) the economic and efficient performance of the organisation and the level of resource utilisation;
- ii) monitoring the activities of the organisation;
- iii) accountability for areas of work undertaken by groups and individual members of the organisation;
- iv) coordination of different parts of the organisation and different areas of work;
- v) flexibility in order to respond to future demands and developments, and adapt to changing environmental influences; and
- vi) the social satisfaction of members working in the organisation.

According to Knight, these objectives provide the criteria for structural effectiveness. Structure, though, is not an end in itself but a means of improving organisational performance.

3.1.2 Dimensions of Structure

According to Mullins (2000), the variables which determine the dimensions of organisation structure can be identified in a number of ways but are usually taken to include the grouping of activities, the responsibilities of individuals, levels of hierarchical authority (the scalar chain), span of control and formal organisational relationships. The dimensions of structure can, however, be identified in a number of ways.

Child (1988) suggests six major dimensions as components of an organisation structure which are as follow:

- allocation of individual tasks and responsibilities, job specialisation and definition;
- formal reporting relationships, levels of authority and spans of control;

- grouping together of sections, departments, divisions and larger units;
- systems for communication of information, integration of effort and participation;
- delegation of authority and procedures for monitoring and evaluating the use of discretion;
- motivation of employees through systems for appraisal of performance and reward.

Mintzberg (1979) suggests another approach to the identification of dimensions of structure; gives a set of nine essential design parameters which form the basic components of organisation structure.

- How many tasks should a given position in the organisation contain and how specialised should each task be?
- To what extent should the work content of each position be standardised?
- What skills and knowledge should be required for each position?
- On what basis should positions be grouped into units and units into larger units?
- How large should each unit be; how many individuals should report to a given manager?
- To what extent should the output of each position or unit be standardised;
- What mechanisms should be established to facilitate mutual adjustment among positions and units?
- How much decision-making power should be delegated to the managers of the units down the chain of authority?
- How much decision-making power should pass from the line managers to the staff specialists and operators?

These nine design parameters, according to Mullins (2000), can be grouped under four broad headings: design of position; design of superstructure; design of lateral linkages; and design of decision-making systems.

Information technology is an additional dimension of structural design. The computer-based information and decision-support systems influence choices in design of production or service activities, hierarchical structures and organisation of support staffs. Information technology may influence the centralization/decentralisation of decision-making and control systems (Mullins, 2000).

According to Mullins (2000), the impact of information technology will have significant effects on the structure, management and functioning of most organisations. The introduction of new technology will demand new patterns of work organisation. It will affect individual jobs, the formation and structure of groups, the nature of supervision and managerial roles. Information technology results in changes to lines of command and authority, and influences the need for restructuring the organisation and attention to the job design.

Mullins maintains that new technology has typically resulted in a 'flatter' organisational pyramid with fewer levels of management required. In the case of new office technology, it allows the potential for staff at clerical/operator level to carry out a wider range of functions and to check their own work. The result is a change in the traditional supervisory function and a demand for fewer supervisors.

Structure provides the framework for the activities of the organisation and must harmonise with its goals and objectives. The first step, therefore, is to examine the objectives of the organisation. Only when objectives have been clearly defined that alternative forms of structure be analysed and compared.

3.2 Levels of Organisation Structure

According to Parsons (1980), organisations are structured in layers. This implies that the determination of policy and decision-making, the execution of work, and the exercise of authority and responsibility are carried out by different people at varying levels of seniority throughout the organisation structure. Therefore, it is possible to look at organisations in terms of interrelated levels in the hierarchical structure such as the technical level, the managerial level and the community level. These are discussed below.

1. The Technical Level

The technical level is concerned with specific operations and discrete tasks, with the actual job or tasks to be done, and with performance of the technical function. Examples are: the physical production of goods in a manufacturing firm; administrative processes giving direct service to the public in government departments; the actual process of teaching in an educational establishment.

2. The Managerial Level

The technical level interrelates with the managerial level, or organisational level, which is concerned with the coordination and integration of work at the technical level. decisions at the managerial level relate to the resources necessary for performance of the technical function, and to the beneficiaries of the products or services provided. Decisions will be concerned with:

- mediating between the organisation and its external environment, such as the users of the organisation's products or services, and the procurement of resources; and
- the 'administration' of the internal affairs of the organisation including the control of the operations of the technical function.

3. The Community Level

In turn, the managerial level interrelates with the community level or institutional level, concerned with broad objectives and the work of the organisation as a whole. Decisions at the community level will be concerned with the selection of operations, and the development of the organisation in relation to external agencies and the wider social environment.

Examples of the community level within organisations are:

- the board of directors of joint stock companies;
- governing bodies of educational establishments which include external representatives; and
- trustees of non-profit organisations.

Such bodies provide a mediating link between the managerial organisation and coordination of work of the technical organisation, and the wider community interests. Control at the institutional level of the organisation may be exercised, for example, by legislation, codes of standards or good practice, trade or professional associations, political or governmental actions, and public interest.

In practice, all these levels are interrelated, and there is not a clear division between determination of policy and decision-making, coordination of activities and the actual execution of work. Most decisions are taken with reference to the execution of wider decisions, and most execution of work involves decision. Decisions taken at the institutional level determine objectives for the managerial level, and decisions at the managerial level set objectives for the technical level. therefore if the organisation as a whole is to perform effectively, there must be clear objectives; a soundly designed structure; and good communication, both upwards and downwards, among the different levels of the organization (Mullins, 2000).

The managerial level, for example, would be unable to plan and supervise the execution of work of the technical function without the knowledge, expertise, practical know-how and enthusiasm of people who are closest to the actual tasks to be undertaken. People operating at the technical level should, therefore, make known to higher levels the practical difficulties and operational problems concerning their work. It is the duty of the managerial level to take appropriate action on this information, and to consult with people at the community or institutional level (Mullins, 2000).

3.3 Dimensions of People – Organisation Relationship

3.3.1 Clarification of Objectives

A clarity of objectives is necessary in order to provide a basis for the division of work and grouping of duties into sub-units. The objectives for these sub-units must be related to the objectives of the organisation as a whole in order that an appropriate pattern of structure can be established.

According to Mullins (2000), clearly stated and agreed objectives will provide a framework for the design of structure, and a suitable pattern of organisation to achieve those objectives. The nature of the organisation and its strategy will indicate the most appropriate organisational levels for different functions and activities, and the formal relationships between them. Clearly defined objectives will help facilitate systems of communication between different parts of the organisation and extent of decentralisation and delegation. The formal structure should help

make possible the attainment of objectives. It should assist in the performance of the essential functions of the organisation and the major activities which it needs to undertake.

3.3.2 Clarification of Tasks

According to Woodward (1980), tasks are the basic activities of the organisation which are related to the actual completion of the productive process and directed towards specific and definable end-results. To ensure the efficient achievement of overall objectives of the organisation, the results of the task functions must be coordinated.

There are four essential functions that the organisation must perform such as follow:

- (i) The good or service must be developed.
- (ii) Something of value must be created. In the case of the business organisation, this might be the production or manufacture of a product; in the case of the public sector organisation, the provision of a service.
- (iii) The product or services must be marketed. They must be distributed or made available to those who are to use them.
- (iv) Finance is needed in order to make available the resources used in the development, creation and distribution of the products or services provided.

There are other activities of the organisation, called element functions, which are not directed towards specific and definable ends but are supportive of the task functions and an intrinsic part of the management process. These include personnel, planning, management services, public relations, quality control and maintenance. In other organisations, noticeably in service industries, personnel can be seen as closely associated with a task function. But in the majority of organisations, the personnel function does not normally have any direct accountability for the performance of a specific end-task.

These two kinds of functions, task and element, differ in a number of ways and these differences have important implications for organisation. Failure to distinguish between the two types of functions can lead to confusion in the planning of structure and in the relationship between members of the organisation.

According to Woodward, for example, activities concerned with raising funds for the business, keeping accounts and determination of financial policy are task functions. But management accounting, concerned with prediction and control of production administration, is an element function, and is primarily a servicing and supportive one.

Relationships between the accountants and other managers seemed better when the two functions were organizationally separate. This is the case especially in divisionalised organisation when

each product division has its own accounting staff providing line managers with the necessary information to control their own departments.

3.3.3 The Division of Work

According to Mullins (2000), work has to be divided among its members and different jobs related to each other within the formal structure of an organisation,. The division of work ~~and~~ grouping together of people should, wherever possible, should be organised by reference to some common characteristic which forms a logical link between the activities involved. It is necessary to maintain a balance between an emphasis on subject matter or function at higher levels of the organisation, and specialisation and concern for staff at the operational level.

Work can be divided, and activities linked together in a variety of different ways such as follows:

i) Major Purpose or Function

The most commonly used basis for grouping activities is according to specialisation, the use of the same set of resources, or the shared expertise of members of staff. It is a matter for decision in each organisation as to which activities are important enough to be organised into separate functions, departments or sections. Work may be departmentalized and based, for example, on differentiation between task and element functions, discussed above. See Fig. 11.1 below.

ii) Product or Service

In division by product or service, as shown in Fig. 11.2, the contributions of different specialists are integrated into separate, semi-autonomous units with collective responsibility for a major part of the business process or for a complete cycle of work. This form of grouping is more common in the larger diversified organisations and may be used as a means of sub-dividing departments into sections.

A good example is the bringing together of all activities concerned with a particular production line, product or service. A different is in a hospital where medical and support staff are grouped together in different units dealing with particular treatments such as accidents and emergency, medical and surgery. The danger is that with grouping by product or service, there is a danger that the divisions may attempt to become too autonomous, presenting management with a problem of coordination and control.

iii) Location

In division by location, as shown in Fig. 11. 3, different services are provided by area or geographical boundaries according to particular needs or demands, the convenience of consumers, or for ease of administration.

Examples are the provision of local authority services for people living in a particular locality; the siting of hospitals or post offices; the provision of technical or agricultural further education in industrial or rural areas; sales territories for business firms; or the grouping of a number of

retail shops under an area manager. Another example is provided by organisations with multi-site working and the grouping of a range of similar activities or functions located together on one site.

One problem with grouping by location is difficulty in the definition of the geographical boundaries and the most appropriate size for a given area. The improvement in communications, particularly telecommunications, tends, however, to reduce the importance of location. For example, administrative staff may no longer need to be located within the main production unit.

Figure 11.1: Division of work by major Purpose or Function

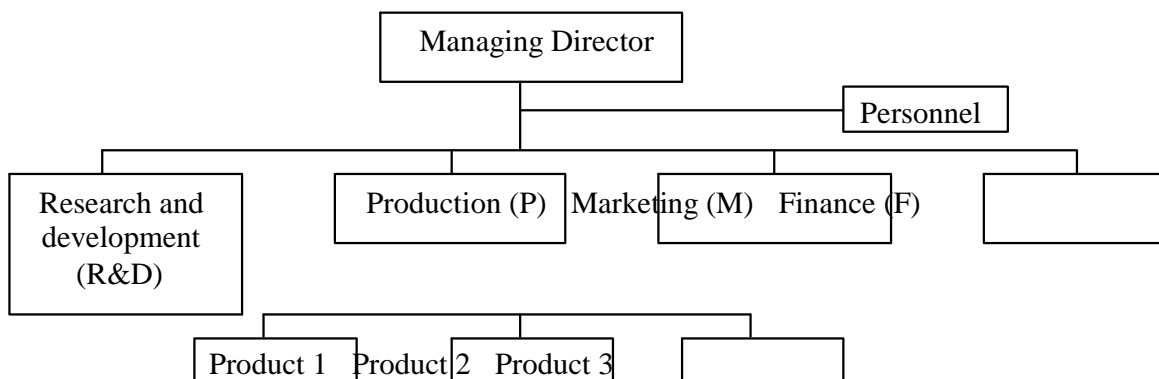


Figure 11.2: Division of work by Product or Service

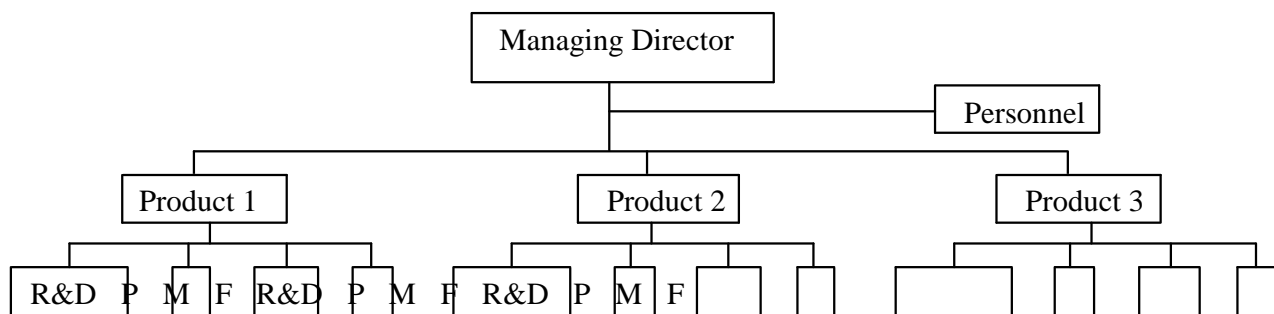
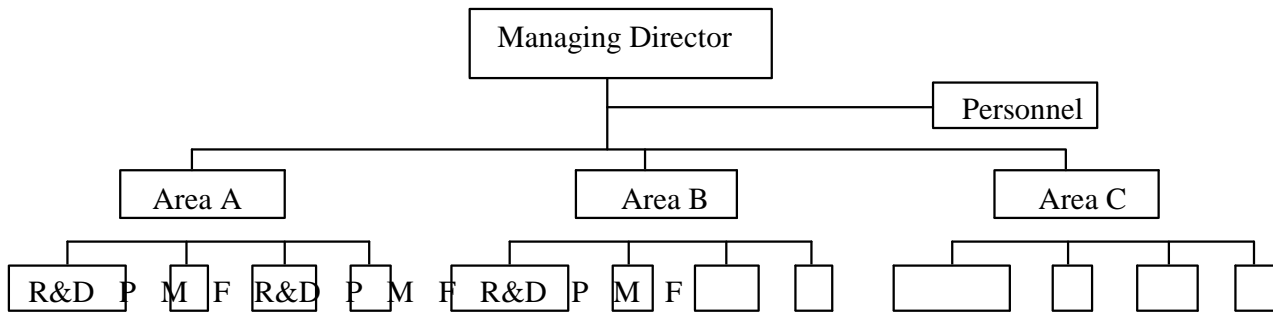


Figure 11.3: Division of Work by Location



Legend:

R&D:- Research and Development
P :- Product
M :- Marketing
F :- Finance

iv) Nature of the Work Performed

Division may be according to the nature of the work performed where there is some special common feature of the work, such as: the need for speedy decisions, accuracy, confidentiality/security, or where local conditions require first-hand knowledge not immediately available elsewhere. Another example may be the grouping together of equipment or machinery which is noisy or which produces dust, fumes or unpleasant odours.

v) Common Time Scales

Division may be according to time scales, for example, shift working and the extent to which different tasks should be undertaken by different shifts. In a further education college, there may be separate departments or groupings to deal with the different needs of full-time day students and part-time evening students. Another example of activities grouped according to time is in a hotel.

Activities in the kitchen tend to be short term, especially when guests in the restaurant are waiting to be served, and a range of different tasks have to be coordinated very quickly. Other activities, for example, market research and forecasting future room occupancy, are longer-term decisions, and subject to different organisational requirements.

vi) Common Processes

When common processes are used in a range of different activities, this may be used as the basis of division. This method of grouping is similar to the division by nature of the work, but includes, for example, the decision whether to establish a centralised resource centre for all departments of the organisation, or to allow each department to have its own service.

In the manufacturing industries, a range of products may pass through a common production facility or configuration of machines which may be grouped together in a single unit: for example, a batch production engineering firm having departments based on like skills or methods of operation. Services using expensive equipment such as mainframe computers may need to be grouped together in this way for reasons of efficiency and economy.

vii) Staff Employed

The allocation of duties and responsibilities may be according to experience, or where a particular technical skill or special qualification is required: for example, the division of work between surgeons, doctors and nurses; or between barristers, solicitors and legal executives.

Another good example is the sharing of routine work processes among members of a supervised group. In smaller organisations, the allocation of work may be on an ad hoc, personal basis according to the knowledge and skills contributed by individuals. Work may also be planned deliberately to give a variety of tasks and responsibilities to provide improved job satisfaction or to assist in the training of staff.

viii) Customer to be Served

Separate groups may be established to deal with different consumer requirements: for example, the division between trade or retail customers, or between home or export sales. In hospitals, there are different groupings dealing with, for example, patients in the gynaecology, paediatric and children's wards. In large clothes shops, there may be separate departments for men's, women's and children's clothing.

Another example is the provision of canteen services which may be grouped by customer demand according to price; range or standard of meals available, speed of service; or type of customer. This gives rise to separate facilities; for instance, directors' dining room, staff dining room, and separation of students' dining room from lecturers' dining room in educational establishments.

These different ways of dividing work can be combined in various forms most suitable for organisations in terms of their scope of operations. Some activities might be grouped according to one method and the other according to operational activities.

Decisions on the methods of grouping will include considerations of:

- the need for coordination;
- the identification of clearly defined divisions of work;
- economy;
- the process of managing the activities;
- avoiding conflict; and
- the design of work organisation which takes account of the nature of staff employed, their interests and job satisfaction.

The management team must decide upon the most significant factors which will determine the methods for division of work and linking of activities appropriate to the changing circumstances within the particular organisation.

SELF ASSESSMENT EXERCISE 1

Mention and explain the various ways through which operations of an organization can be organized.

3.4 Forms of Relationship in Organization

Some formal relationships between individual positions will arise from the defined pattern of responsibilities in any organisation structure. These individual authority relationships may be identified as line, functional, staff or lateral.

The design of organisation structure in terms of the principle of line, functional, staff or lateral, determines the pattern of role relationships and interactions with other roles, discussed in the next unit.

(i) Line Relationships

In line relationships, authority flows vertically down through the structure, for example, from the managing director to managers, section leaders, supervisors and other staff. There is a direct relationship between superior and subordinate, with each subordinate responsible to only one person. Line relationships are associated with functional or departmental division of work and organisational control. Line managers have authority and responsibility for all matters and activities within their own department.

(ii) Functional Relationships

Functional relationships apply to the relationship between people in specialist or advisory positions, and line managers and their subordinates. The specialist offers a common service throughout all departments of the organisation, but has no direct authority over those who make use of the service. There is only an indirect relationship.

For example, the personnel manager has no authority over staff in other departments – this is the responsibility of the line manager. But, as the position and role of the personnel manager would have been sanctioned by top management, other staff might be expected to accept the advice which is given. The personnel manager, however, could be assigned some direct, executive authority for certain specified responsibilities such as, for example, health and safety matters throughout the whole organisation. Note, however, that specialist in a functional relationship with other managers still have a line relationship with both their own superior and their own departmental subordinate staff.

(iii) Staff Relationships

Staff relationships arise from the appointment of personal assistants to senior members of staff. Persons in a staff position normally have little or no direct authority in their own right but act as an extension of their superior and exercise only 'representative' authority. They often act in a 'gatekeeper' role. There is no direct relationship between the personal assistant and other staff except where delegated authority and responsibility have been given for some specific activity. In practice, however, personal assistants often do have some influence over other staff, especially those in the same department or grouping. This may be partially because of the close relationship between the personal assistant and the superior, and partially dependent upon the knowledge and experience of the assistant, and the strength of the assistant's own personality.

(iv) Lateral Relationships

Lateral relationships exist between individuals in different departments or sections, especially individuals on the same level. These lateral relationships are based on contact and consultation and are necessary to maintain coordination and effective organisational performance. Lateral relationships may be specified formally, but in practice, they depend upon the cooperation of staff and in effect are a type of informal relationship.

SELF ASSESSMENT EXERCISE 2

Mention and explain different forms of relationship in organization.

3.5 Types of Organizational Structure

1. Line and Staff Organisation

An area of management which causes particular difficulty is the concept of line and staff. As organisations develop in size and work becomes more complex, the range of activities and functions undertaken increases. People with specialist knowledge have to be integrated into the managerial structure. Line and staff organisation is concerned with different functions which are to be undertaken. It provides a means of making full use of specialists while maintaining the concept of line authority. It creates a type of informal matrix structure (See Figure 11.1).

According to Mullins (2000), the concept of line and staff relationships presents a number of difficulties. With the increasing complexity of organisations and the rise of specialist services, it becomes harder to distinguish clearly between what is directly essential to the operation of the organisation, and what might be regarded only as an auxiliary function. The distinction between a line manager and a staff manager is not absolute. There may be a fine division between offering professional advice and the giving of instructions.

Friction inevitably seems to occur between line and staff managers. Neither side may fully understand nor appreciate the purpose and role of the other. Staff managers are often criticised for unnecessary interference in the work of the line manager and for being out of touch with practical realities. Line managers may feel that the staff managers have an easier and less demanding job because they have no direct responsibility for producing a product or providing a service for the customer, and are free from day-to-day operational problems.

Furthermore, staff managers may feel that their own difficulties and work problems are not appreciated fully by the line manager. Staff managers often complain about resistance to their attempts to provide assistance and coordination, and the unnecessary demands for departmental independence by line managers. A major source of difficulty is to persuade line managers to accept, and act upon, the advice and recommendations which are offered.

2 Functional Organization

Under this structure, the division of work and the grouping together of people is organised by reference to some common characteristic which forms a logical link between the activities involved. This emphasizes functions of the organisational operations as well as specialization.

The most commonly used bases for grouping activities according to function are: specialization; the use of the same set of resources; and the shared expertise of members of staff. It is a matter for decision in each organisation as to which activities are important enough to be organised into separate functions, departments or sections. Work may be departmentalized and based on differentiation between task and element functions. See Fig. 11.1 below.

3. Project Organisation

The division of work and methods of grouping described earlier tend to be relatively permanent forms of structure. With the growth in newer, complex and technologically advanced systems, it has become necessary for organisations to adapt traditional structures in order to provide greater integration of a wide range of functional activities.

In recent years, greater attention has been given, therefore, to more flexible forms of structure and the creation of groupings based on project teams and matrix organisation. Members of staff from different departments or sections are assigned to the team for the duration of a particular project.

Therefore, a project organization may be set up as a separate unit on a temporary basis for the attainment of a particular task. When this task is completed, the project team is disbanded or members of the unit are reassigned to a new task. Project teams may be used for people working together on a common task or to coordinate work on a specific project such as the design and development, production and testing of a new product; or the design and implementation of a new system or procedure. For example, project teams have been used in many military systems, aeronautics and space programmes. A project team is more likely to be effective when it has a clear objective, a well-defined task, and a definite end-result to be achieved, and the composition of the team is chosen with care.

4. Matrix Organisation

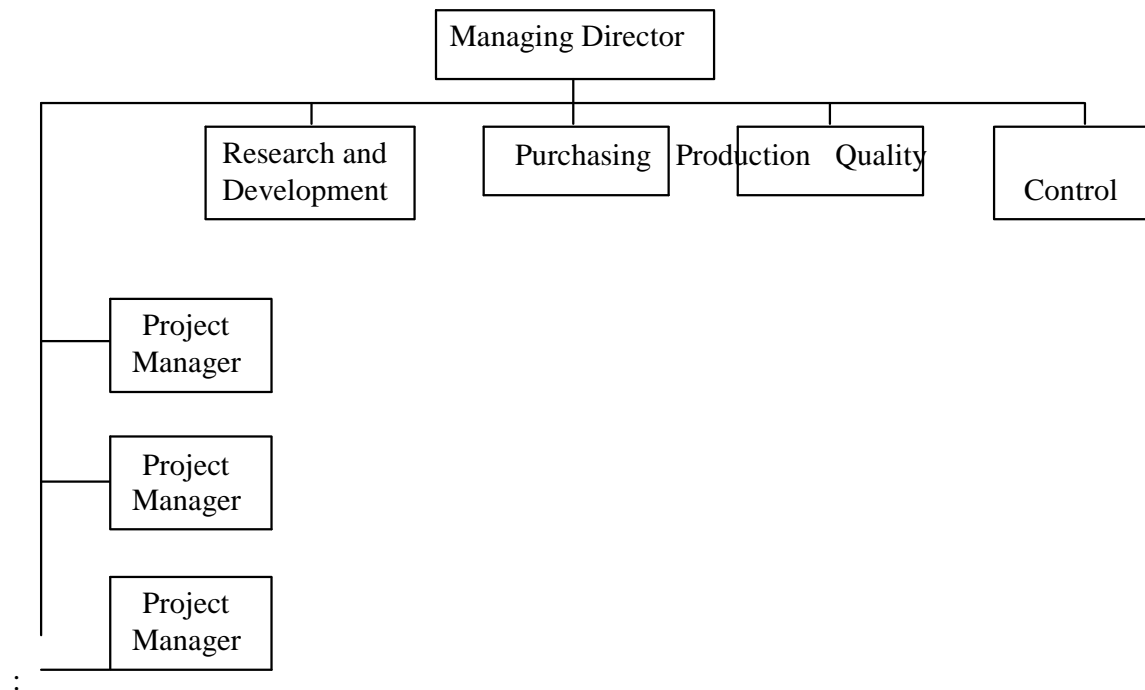
The matrix organisation is a combination of:

- (i) functional departments which provide a stable base for specialised activities and a permanent location for members of staff; and
- (ii) units that integrate various activities of different functional departments on a project team, product, programme, geographical or systems basis. As an example, ICI is organised on matrix lines, by territory, function and business.

A matrix structure might be adopted in a university or college with grouping both by common subject specialism, and by association with particular courses or programmes of study.

Therefore, the matrix organisation establishes a grid, or matrix, with a two-way flow of authority and responsibility. On the basis of the functional departments, authority and responsibility flow vertically down the line, but the authority and responsibility of the project manager flow horizontally across the organisation structure.

Figure 11.5: A Matrix Structure



Reasons for the use of a matrix structure include the following:

- (i) More than one critical orientation to the operations of the organisation
For example, an insurance company that has to respond simultaneously to both functional differentiation such as life, fire, marine, motor, and to different geographical areas;
- (ii) A need to process simultaneously large amounts of information
For example, a local authority social services department seeking help for an individual will need to know where to go for help from outside agencies such as police, priest, community relations officer; and at the same time whom to contact from internal resources within the organisation such as the appropriate social worker, health visitor or housing officer;
- (iii) The need for sharing of resources

This could only be justified on a total organisational basis such as the occasional or part-time use by individual departments of specialist staff or services.

Matrix organisation offers the advantages of flexibility; greater security and control of project information; and opportunities for staff development. Nevertheless, there are difficulties associated with matrix structure. Developing an effective matrix organisation, however, takes time, and a willingness to learn new roles and behaviour which means that matrix structures are often difficult for management to implement effectively.

There may be a limited number of staff reporting directly to the project manager with extra staff assigned as required by departmental managers. This may result in a feeling of ambiguity. Staff may be reluctant to accept constant change and prefer the organisational stability from membership of their own functional grouping.

Matrix organisation can result in a more complex structure. By using two methods of grouping, it sacrifices the unity of command and can cause problems of coordination.

There may be a problem of defining the extent of the project manager's authority over staff from other departments and of gaining the support of the functional managers. Functional groups may tend to neglect their normal duties and responsibilities.

According to Bartlett and Ghoshal (1990), matrix structures have proved all but unmanageable. Dual reporting leads to conflict and confusion; the proliferation of channels of communication creates informational log-jams; and overlapping responsibilities result in a loss of accountability.

3.6 Common Features Of Organisations

A basic aim for the study of organisations is to indicate both the common features of organisations and the main distinguishing features between different types of organisations. It provides a useful framework for the comparative study of organisations. Some of these common features to organizations are as discussed below.

1. Organisational Sub-systems

The transformation or conversion of inputs into outputs is a common feature of all organisations. Within the organisation (system) as a whole, each of the different transformation or conversion activities may themselves be viewed as separate sub-systems with their own input-conversion-output process interrelated to, and interacting with, the other sub-systems. The analysis of an organisation could perhaps be based upon the departmental structure as sub-systems.

The important point is the interrelationships and coordination of sub-systems in terms of the effectiveness of the organisation as an integrated whole. The interrelationship and interdependence of the different parts of the system raise the question of the identification of these sub-systems.

The boundaries are drawn at the discretion of the observer and sub-systems are identified according to the area under study. These sub-systems may be identified, therefore, in a number of different ways, although there is a degree of similarity among the alternative models.

2. Socio-technical System

According to Mullins (2000), the socio-technical system is concerned with the transformation or conversion process itself, the relationships between technical efficiency and social considerations and the effect on people.

Researchers observed that new methods of work and changes in technology disrupted the social groupings of workers, and therefore, brought about undesirable changes to the psychological and sociological properties of the old method of working. As a result, the new method of work could be less efficient than it could have been despite the introduction of new technology.

The recommendation calls for a socio-technical approach in which an appropriate social system could be developed in keeping with the new technical system. It has been observed that there are three sub-systems common to any organisation such as:

- the technological sub-system;
- the sub-system of formal role structure;
- the sub-system of individual members' feelings or sentiments.

Another form of analysis result in seeing the organisation as an open, socio-technical system with five major sub-systems such as follow:

Goals and values – the accomplishment of certain goals determined by the broader system and conformity with social requirements.

Technical – the knowledge required for the performance of tasks, and the techniques and technology involved.

Psychological – the interactions of individuals and groups, and behaviour of people in the organisation.

Structure – the division and coordination of tasks, and formal relationships between the technical and psychosocial sub-systems.

Managerial – covering the whole organisation and its relationship to the environment, setting goals, planning, structure and control.

An alternative model is suggested by Hersey and Blanchard, who identify four main interrelated sub-systems.

- Human / social focuses on the needs and motivations of members of the organisation and styles of leadership.
- Administrative / structural focuses on authority and responsibility, and the structure within the organisation.
- Informational / decision-making focuses on key decisions and information needs necessary to keep the organisation operational.
- Economic / technological focuses on the work to be undertaken and its cost-effectiveness related to the goals of the organisation.

Another useful model is that of Leavitt who suggests the organisation consists of four main elements – task, structure, information and control, and people – which interact with each other and with the external environment.

- Task – involves problem-solving and improving organisational performance.
- Structure – refers to patterns of organisation, authority and responsibility, and communications.
- Information and control – techniques for controlling and processing information, such as accounting techniques.
- People – involves attitudes and interpersonal relations.

According to Mullins (2000), from the above analysis, therefore, five main interrelated sub-systems as a basis for the analysis of work organisations.

i) Task – the goals and objectives of the organisation. The nature of inputs and outputs, and the work activities to be carried out in the transformation or conversion process.

ii) Technology – the manner in which the tasks of the organisation are carried out and the nature of work performance. The materials, systems and procedures, and equipment used in the transformation or conversion process.

iii) Structure – patterns of organisation, lines of authority, formal relationships and channels of communication among members. The division of work and coordination of tasks by which the series of activities are carried out.

iv) People – the nature of the members undertaking the series of activities: such as their attitudes, skills and attributes; needs and expectations; interpersonal relations and patterns of behaviour; group functioning and behaviour; informal organisation and styles of leadership.

v) Management – coordination of task, technology, structure and people, and policies and procedures for the execution of work. Corporate strategy, direction of the activities of the organisation as a whole and its interactions with the external environment.

The attention given to organisational sub-systems can be related to developments in management thinking and organisational behaviour. The classical approach emphasised the structural and the managerial sub-systems and the development of general principles of organisation. The human relations approach emphasised the psychological and sociological aspects and gave attention to

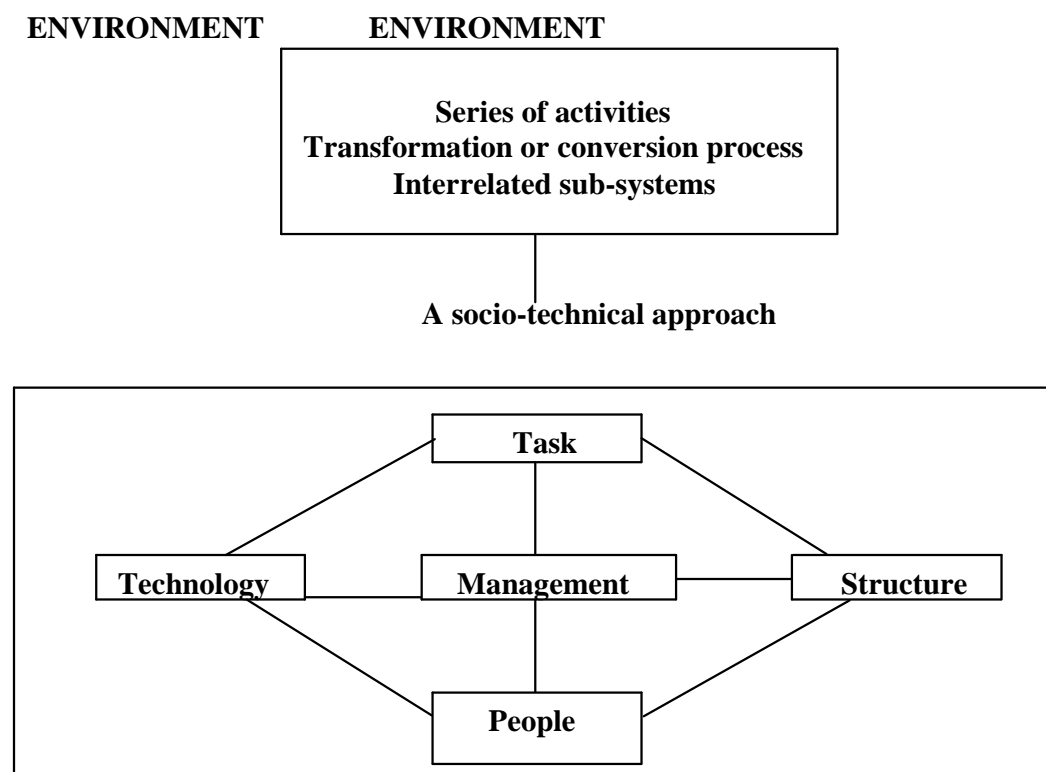
the importance of people in the organisation and such factors as the social needs of individuals, motivation and group behaviour. The systems approach focuses attention on the organisation as a whole, as a socio-technical system, and considers the interrelationships between the different sub-systems and the importance of environmental influences. The contingency approach concentrates on situational factors as determinants of alternative forms of organisation and management.

3. Interaction between Organization and Environment

An open systems approach is an attempt to view the organisation as a purposeful, unified whole in continual interaction with its external environment. The organisation (system) is composed of a number of interrelated parts (sub-systems). Any one part of the organisation's activities affects other parts. Managers cannot afford to take a narrow, blinkered view. They need to adopt a broader view of the organisation's activities. Managers should recognise the interrelationships between various activities and the effects that their actions and decisions have on other activities.

Using the above framework of five main interrelated sub-systems – task, technology, structure, people, management – provides a useful basis for the analysis of organisational performance and effectiveness.

Fig. 11.6: Organisational sub-systems



- Task** - the nature of the work activities to be carried out
- Technology** - the manner in which activities are carried out
- Structure** - patterns of organisation and formal relationships within which activities are carried out
- People** - the nature of members undertaking the activities
- Management** - effective coordination of the sub-systems and direction of activities of the organisation as a unified whole.

The manager must realise that in order to improve organisational effectiveness, attention should be focused on the total work organisation and on the interrelationships between the range of variables which affect organisational performance. The organisation is best viewed as an open system and studied in terms of the interactions between technical and social considerations, and environmental influences. Changes in part of the system will affect other parts and thus the whole organisation. The open systems approach provides a perspective in which to compare and contrast different types of organisations and their methods of operation.

4. Situational Organisation

The analysis of organisational effectiveness requires an understanding of relationships within the organisation's structure, the interrelated sub-systems and the nature of its external environment.

Irrespective of the identification of sub-systems, the nature and scale of the series of activities involved in converting inputs to outputs will differ from one organisation to another in terms of the interrelationships between technology, structure, methods of operation, and the nature of environmental influences. Contingency models of organisation highlight these interrelationships and provide a further possible means of differentiation between alternative forms of organisation and management.

The contingency approach takes the view that there is no one best, universal form of organisation. There are a large number of variables, or situational factors, that influence organisational performance. Contingency models can be seen as an 'if-then' form of relationship. If certain situational factors exist, then certain organisational and managerial variables are most appropriate. Managers can utilise these models to compare the structure and functioning of their own organisation (Mullins, 2000).

3.7 Influence of Technology on Organization

According to Mullins (2000), the systems and contingency approaches have drawn attention to the importance of technology in the structure, management and functioning of work

organisations. It is important to note that the meaning of technology is interpreted broadly to include both:

- the physical aspects of machines, equipment, processes and work layout (machine technology) involved in the transformation or conversion process; and
- the actual methods, systems and procedures involved (knowledge technology) in carrying out the work of the organisation and transforming or converting inputs into outputs.

There is a close interrelationship between the machine side of technology and the specialist knowledge side of technology. The nature of technology can, therefore, be applied to the analysis of all organisations.

In a university, for example, the machine side of technology would include: blackboards or whiteboards; overhead projectors; computers; televisions and video recorders; closed circuit television; scientific and engineering equipment; library facilities. The knowledge side of technology would include: lectures, seminars and tutorials; case studies; role-playing; practical laboratory work; visiting speakers; project and assignment work; examinations.

The work processes of a university, and other educational establishments, give rise to the specialist study of educational technology. A university will receive inputs of students and, through the process of educational technology, 'transform' them and return them as outputs into the broader society.

1. Technology and the Behaviour of People

According to Mullins, the nature of technology can influence the behaviour of people in work organisations in many ways including, for example, the following:

It influences the specific design of each member's pattern of work including the nature and variety of activities performed, and the extent of autonomy and freedom of action.

It affects the nature of social interactions, for example, the size and nature of work groups, the extent of physical mobility and of contacts with other people. A person working continuously on a single, isolated machine in a mass production factory will have very limited social interactions compared with, say, a team of receptionists in a large conference hotel.

It can affect role position and the nature of rewards. People with higher levels of specialist technical knowledge and expertise such as engineers or systems analysts tend to receive higher status and pay than machine operators on an assembly line.

It can impose time dimensions on workers and may require set times for attending to operations and a set pace of work; for example, the mechanical pacing of work on a production assembly line.

It can result in distinguishing features of appearance; for example, the requirement to wear a standard uniform or protective clothing, compared with a personal choice of smart clothes.

2. Technology and General Climate of Organisation

Technology is a major influence on the general climate of the organisation and the behaviour of people at work.

The nature of technology is also a potential source of tension and stress and affects motivation and job satisfaction. The systems approach should serve to remind managers that activities managed on the basis of technical efficiency alone are unlikely to lead to optimum improvements in organisational performance. It is important to maintain the balance of the socio-technical system. Changes to the work organization as a result of new developments in technology must take account of human and social factors as well as technical and economic factors.

3. Information Technology

The importance of the effective management of technical change has been highlighted by recent and continuing developments in information technology. The term 'information technology' originated in the computer industry, but it extends beyond computing to include telecommunications and office equipment. Advances in technical knowledge, the search for improved economic efficiency and government support for information technology have all prompted a growing movement towards more automated procedures of work.

The impact of information technology demands new patterns of work organisation, especially in relation to administrative procedures. It affects the nature of individual jobs, and the formation and structure of work groups. There is a movement away from large-scale, centralised organisation to smaller working units. Processes of communication are increasingly linked to computer systems with the rapid transmission of information and immediate access to other national or international offices.

Improvements in telecommunications implies that support staff need no longer be located within the main 'production' unit. Modern methods of communication may reduce the need for head office clerical jobs.

Changes brought by information technology relate to the nature of the management task itself. Information technology bears heavily on the decision-making processes of the organisation and increasingly forms an essential part of management information and corporate strategy.

4. Technology and Conditions of Work

The growth of information technology implies that individuals may work more on their own, from their personal work stations or even from their own homes, or work more with machines than with other people. One person may be capable of carrying out a wider range of activities.

There are changes in the nature of supervision and in the traditional hierarchical structure of jobs and responsibilities.

Computer-based information and decision support systems provide an additional dimension of structural design. They affect choices such as division of work, individual tasks and responsibilities. The introduction of information technology undoubtedly transforms, significantly, the nature of work and employment conditions for staff.

Advances in technical knowledge tend to develop at a faster rate with consideration for related human and social consequences. For example, fatigue and low morale are two major obstacles to the efficiency of staff. Research is now being conducted into possible health hazards such as eye strain, backache, general fatigue and irritability for operators of visual display units. This concern has prompted proposals for recommended working practices for VDU operators. There has been a call for regular health checks and eyesight tests for operators, and a 20-minute break every two hours.

5. Technical Change and Human Behaviour

Mullins (2000) observes that failure to match technical change to the concomitant human and social considerations means that staff may become resentful, suspicious and defensive. People's cognitive limitations, and their uncertainties and fears, may result in a reluctance to accept change.

The psychological and social implications of technical change, such as information technology and increased automation, must not be underestimated. New ideas and innovations should not be seen by members of staff as threats.

The manager has to balance the need for adaptability in meeting opportunities presented by new technology with an atmosphere of stability and concern for the interests of staff. The manner in which technical change is introduced into the organisation will influence people's attitudes to work, the behaviour of individuals and groups, and their level of performance.

6. Technology and Work Design

According to Mullins (2000), continued technical change is inevitable and likely to develop at an even greater rate. Managers must be responsive to such change. Information technology and automation create a demanding challenge. The systems nature of organisations emphasises the interrelationships among the major variables or sub-systems of the organisation. The implementation and management of technological change needs to be related to its effect on the task, the structure and the people.

Managers need to develop working practices based on an accurate understanding of human behaviour and the integration of people's needs with organisational needs. It is important to avoid destructive conflict, alienating staff including managerial colleagues, or evoking the anger and opposition of unions. At the same time, it is important to avoid incurring increasing costs or

a lower level of organisational performance caused by delays in the successful implementation of new technology.

What needs to be considered is the impact of technical change on the design of the work organisation, and the attitudes and behaviour of staff. It will be necessary for managers and supervisors to develop more agile skills in organisation. This calls for the effective management of human resources and a style of managerial behaviour which helps to minimise the problems of technical change. The management of conflict and organisational change is discussed in detail in other units.

3.8 Problems of Work Organisation

As observed by Mullins (2000), the important point is not so much whether competing sub-groups and conflict are seen as inevitable consequences of organisation structure, but how conflict, when found to exist within the structure, is handled and managed.

There are many potential sources of conflict arising from structure, which include the following:

1. Differences in perception.

Individuals see things in different ways. They all have our own, unique picture or image of how we see the 'real' world. Differences in perception result in different people attaching different meanings to the same stimuli. As perceptions become a person's reality, value judgements can be a potential major source of conflict.

2. Limited resources.

Most organisational resources are limited, and individuals and groups have to fight for their share; for example, at the time of the allocation of the next year's budget or when cutbacks have to be made. The greater the limitation of resources, then usually the greater the potential for conflict. In an organisation with reducing profits or revenues, the potential for conflict is likely to be intensified.

3. Departmentalisation and specialisation.

Most work organisations are divided into separate departments with specialised functions. Because of familiarity with the manner in which they undertake their activities, departments tend to turn inwards and to concentrate on the achievement of their own particular goals. When departments need to cooperate with each other this is a frequent source of conflict.

Differing goals and internal environments of departments are also a potential source of conflict. For example, a research and development department is more likely to be concerned with the long-run view and, confronted with pressures for new ideas and production innovation, the department is likely to operate in a dynamic environment and with an organic structure. A production department, however, is concerned more with short-term problems such as quality

control and meeting delivery dates. The department tends to operate in a more stable environment and with a bureaucratic structure.

4. The nature of work activities.

Where the task of one person is dependent upon the work of others, there is potential for conflict; for example, if a worker is expected to complete the assembly of a given number of components in a week but the person forwarding the part-assembled components does not supply a sufficient number on time. If reward and punishment systems are perceived to be based on keeping up with performance levels, then the potential for conflict is even greater.

In sequential interdependence where the work of a department is dependent upon the output of another department, a crisis situation could arise, especially if this situation is coupled with limited resources; for example, where the activities of a department, whose budget has been reduced below what is believed necessary to run the department efficiently, are interdependent with those of another department, who appear to have received a more generous budget allocation.

5. Role conflict.

A role is the expected pattern of behaviours associated with members occupying a particular position within the structure of the organisation. In practice, the manner in which people actually behave may not be consistent with their expected pattern of behaviour. Problems of role incompatibility and role ambiguity arise from inadequate or inappropriate role definition and can be a significant source of conflict.

6. Inequitable treatment.

A person's perception of unjust treatment, such as in the operation of personnel policies and practices, or in reward and punishment systems, can lead to tension and conflict. For example, according to the equity theory of motivation, the perception of inequity will motivate a person to take action to restore equity, including changes to inputs or outputs, or through acting on others.

7. Violation of territory.

People tend to become attached to their own 'territory' within work organisations; for example, to their own area of work, or kinds of clients to be dealt with; or to their own room, chair, parking space. Jealousy may arise over other people's territory; for example, size of room, company car, allocation of a secretary or other perks; through access to information, or through membership of groups. A stranger walking into a place of work can create an immediate feeling of suspicion or even resentment because people do not usually like 'their' territory entered by someone they do not know, and whose motives are probably unclear to them.

Mullins (2000) observes that ownership of territory may be conferred formally, for example, by organisation charts, job descriptions or management decisions. It may be established through procedures, for example, circulation lists or membership of committees. Or it may arise informally, for example through group norms, tradition or perceived status symbols. The place where people choose to meet can have a possible, significant symbolic value.

The relevant strategies for managing conflicts arising from work organization include the following:

i) Clarification of goals and objectives.

The clarification and continued refinement of goals and objectives, role definitions and performance standards will help to avoid misunderstandings and conflict. Focusing attention on superordinate goals, that are shared by the parties in conflict, may help to diffuse hostility and lead to more cooperative behaviour.

ii) Resource distribution.

It may not always be possible for managers to increase their allocated share of resources, but they may be able to use imagination and initiative to help overcome conflict situations; for example, making a special case to higher management; flexibility in virement headings of the budget; delaying staff appointments in one area to provide more money to another area.

iii) Personnel policies and procedures.

Careful and detailed attention to just and equitable personnel policies and procedures may help to reduce areas of conflict. Examples are: job analysis, recruitment and selection, job evaluation; systems of reward and punishment; appeals, grievance and disciplinary procedures; arbitration and mediation; recognition of trade unions and their officials.

iv) Non-monetary rewards.

Where financial resources are limited, it may be possible to pay greater attention to non-monetary rewards. Examples are job design; more interesting, challenging or responsible work; increased delegation or empowerment; flexible working hours; attendance at courses or conferences; unofficial perks or more relaxed working conditions.

v) Development of interpersonal/group process skills.

This may help to encourage a better understanding of one's own behaviour, the other person's point of view, communication processes and problem-solving. It may also encourage people to work through conflict situations in a constructive manner.

vi) Group activities.

Attention to the composition of groups and to factors which affect group cohesiveness may reduce dysfunctional conflict. Overlapping group membership with a 'linking-pin' process, and the careful selection of project teams or task forces for problems affecting more than one group, may also be beneficial.

vii) Leadership and management.

A more participative and supportive style of leadership and managerial behaviour is likely to assist in conflict management; for example, showing an attitude of respect and trust; encouraging personal self-development; creating a work environment in which staff can work cooperatively together. A participative approach to leadership and management may also help to create greater employee commitment.

viii) Organisational processes.

Conflict situations may be reduced by attention to such features as: the nature of the authority structure; work organisation; patterns of communication and sharing of information; democratic functioning of the organisation; unnecessary adherence to bureaucratic procedures, and official rules and regulations.

ix) Socio-technical approach.

Viewing the organisation as a socio-technical system in which psychological and social factors are developed in keeping with structural and technical requirements, will help in reducing dysfunctional conflict.

4.0 CONCLUSION

The discussion has exposed you to the fact that organizational structure relates to pattern of relationships along positions in the organisation and among members of the organization, which defines tasks and responsibilities, work roles and relationships and channels of communication among organizational members. You have understood that essential factors are normally taken into consideration in designing organization structure. There are different types of structure and relationship in organization. Organizational structure is affected by technology as a critical aspect of the external environment.

5.0 SUMMARY

This study unit has been used to discuss:

- The Meaning and Nature of Organisation Structure; that structure defines positions and responsibilities, and it keeps on changing.
- Levels of Organisation Structure such as technical, management, and community levels.
- Dimensions of People – Organisation Relationship such as clarification of objectives, clarification of tasks, and division of work.
- Forms of Relationship in Organization in areas of line, staff, function and lateral relationships.
- Types of Organizational Structure like line and staff, functional, project and matrix organizations.
- Common Features of Organisations such as organizational sub-systems, socio-technical system, interaction between the organization and the environment, and situation organization.
- Influence of Technology on Organization in areas of behaviour of people, organizational climate, conditions of work, information technology, and work design.

- Problems of Work Organisation such as differences in perception, limited resources, specialization, nature of work, role conflict, and violation of territory.

6.0 TUTOR MARKED ASSIGNMENT

1. Discuss the essential design parameters which form the basic components of organisation structure according to Mintzberg
2. Mention and discuss the forms of relationship in organization.

Answer to Self Assessment Exercise

1. The various ways through which operations of an organization can be organized are as follows:

- i) Major Purpose or Function
- ii) Product or Service
- iii) Location
- iv) Nature of the Work Performed
- v) Common Time Scales
- vi) Common Processes
- vii) Staff Employed
- viii) Customer to be Served

2. Forms of relationship in organisations are:

- i).Line Relationships
- ii) Functional Relationships
- iii) Staff Relationships
- iv) Lateral Relationships

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UNIT 3 : CENTRALISATION AND DECENTRALISATION

CONTENTS

- 1.0 Introduction
- 2.0 Objectives
- 3.0 Main Content
 - 3.1 Centralisation and Decentralisation
 - 3.2 Advantages and Disadvantages
 - 3.2.1 Centralisation – Advantages
 - 3.2.2 Centralisation – Disadvantages
 - 3.2.3 Decentralisation – Advantages
 - 3.2.4 Decentralisation – Disadvantages
 - 3.3 Guiding Principles in Centralisation versus Decentralisation
 - 3.3.1 Centralisation
 - 3.3.2 Centralisation Desirable
 - 3.3.4 Decentralise
 - 3.3.4 Partnership
 - 3.3.5 Implementation Strategies
- 4.0 Conclusion
- 5.0 Summary
- 6.0 Tutor-Marked Assignment
- 7.0 References/Further Readings

1.0 INTRODUCTION

Centralisation and decentralization refer to the extent to which decision making power is devolved in an organisation or the degree of delegation of duties, power and authority to lower levels of an organisation (Hicks and Guliett, 1981). Organisations which have a high degree of delegation of power are thought to be decentralized. Organisations which have a lower degree of delegation of power tend to be centralized. A decentralized structure often means power over both operational issues and strategic direction is devolved to lower levels in the hierarchy.

The terms centralization and decentralization, however, are used to give various connotations. The semantic variations range from administrative, physical and functional centralisation to decentralisation.

At the same time, decentralisation is taken to mean separation of facilities, a type of organisation structure, and delegation of decision-making power. It is more commonly used in management literature, however, shows extent of delegation of authority. Thus, decentralisation can be defined as the delegation of authority to the lowest levels of management.

2.0 OBJECTIVES

At the end of this unit, you should be able to:

- (i) define and differentiate between centralisation and decentralisation;

- (ii) list and explain the advantages and disadvantages of centralisation and decentralisation;
- (iii) discuss the guiding principles in centralizing or decentralizing an organisation.

3.0 MAIN CONTENT

3.1 Centralisation and Decentralisation

Centralisation and decentralisation describe the manner in which decision-making responsibilities are divided among managers at different levels of managerial hierarchy.

Decentralisation is different from delegation of authority. Whereas delegation simply refers to the entrustment of responsibility and authority from one individual to another, decentralisation refers to the systematic delegation of authority in an organisation-wide context. Thus, delegation is said to be the process and decentralisation as the result of process. There can neither be absolute centralisation nor absolute decentralisation. The concepts of centralisation and decentralisation are two extreme points in matters of distributing authority in the organisation structure, and in between these two points, there may be a continuum of authority distribution.

Centralisation Vs Decentralisation

Centralisation is the process by which the activities of an organization, particularly those regarding decision-making, become concentrated within a particular location and/or group.

Decentralisation is where the decision making responsibility is given to more operational managers, lower down the organisation.

3.2 Advantages and Disadvantages

3.2.1 Centralisation – Advantages

- (a) There is uniformed decision making;
- (b) Duplication of effort is eliminated;
- (c) Highly skilled personnel are available to the whole organisation and not just the one unit;
- (d) Greater control;
- (e) Economies in staffing;
- (f) Economies of Scale e.g. negotiation of better rates for office supplies etc.,
- (g) Easier communication.

3.2.2 Centralisation – Disadvantages

- (a) The organisation is bureaucratic;
- (b) Power is concentrated within the upper management levels with key decisions taken by a few top managers;
- (c) Rigidity;
- (d) Delays in decision making;
- (e) Stifles personal development.

3.7.3 Decentralisation – Advantages

- (a) Lower levels of management will have the power to make decisions;
- (b) The decisions are made by people who know and understand the situation; There is recognition of local conditions;
- (c) The increased power gives improved morale;
- (d) There is personal development due to the increased responsibility;
- (e) The organisation is more responsive to the environment.

3.7.4 Decentralisation – Disadvantages

- (a) There is a lack of uniformity of decision making;
- (b) People have different views and so individuality may affect those decisions made; Inter-unit conflict may arise;
- (c) Managers may not be willing to accept responsibility;
- (d) There is a loss of control at the top of the organisation structure;
- (e) Loss of some economies of scale;
- (f) Development of a narrow departmental view.

One example of a function becoming centralised could be filing with the organisation creating a central filing department. Procedures become standardised for filing those documents, there will be greater security of those records than if spread out over several regional offices; maintenance of these files.

3.3 Guiding Principles in Centralisation versus Decentralisation

- (a) Appropriate interoperability – where needed;
- (b) Where costs would be significant to decentralize e.g. email Compliance, legislation requires it e.g. F.O.I;
- (c) Security risk makes it necessary e.g. local servers that are outwardly facing Where there is insufficient local knowledge e.g. security officer;
- (d) Where outages cannot be tolerated e.g. telephone systems/other 24x7 services Where common access for all stakeholders is required and or access would be hindered e.g. shadow systems and document interchange;
- (e) Standards and central control are required e.g. Finance system/student records Business drivers require it e.g. website -common look and feel.

3.3.1 Centralisation Desirable

Where accountability would be unclear e.g. common teaching spaces There are procurement benefits to the university Access difficulties
Reduction of cost (business case) e.g. parallel systems
A coherent experience is needed for users e.g. web, student experience, online learning

Quality of services will be demonstrably higher Industrial strength solutions are needed
Standardisation necessary for defined performance scalability Integration
Where it is practical to purchase bulk licensing/contracts

3.3.2 Decentralize

- (a) Central control is not necessary;
- (b) Faster response can be gained;
- (c) Exterior interactions are not required;
- (d) Local conditions are different e.g. particle physics; and in all cases we should work towards.

4.0 CONCLUSION

We have thus far discussed centralisation and decentralisation as concepts. We have also discussed the principles that guide centralisation and decentralisation. We have further discussed the advantages and disadvantages of centralisation and decentralisation.

5.0 SUMMARY

In this unit, you have learnt about centralisation and decentralisation. You have also learnt about the principles that guide these two concepts as well as the merits and demerits of centralisation and decentralisation.

6.0 TUTOR-MARKED ASSIGNMENT

What is conflict management

Discussed the following ?

- a. Managerial Economics**
- b. Management Accounting**
- c. Systems Analysis**

7.0 REFERENCES/FURTHER READINGS

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UNIT 4: ORGANISATIONAL LEADERSHIP

CONTENTS

- 1.0 Introduction
- 2.0 Objectives
- 3.0 Main Content
 - 3.1 Theories of Leadership
 - 3.2 Early History of Leadership
 - 3.3 Rise of Alternative Theories
 - 3.4 Reemergence of Trait Theory
 - 3.5 Attribute pattern approach
 - 3.6 Behavioral and style theories
 - 3.7 Situational and contingency theories
 - 3.8 Functional theory
 - 3.9 Transactional and transformational theories
 - 3.10 Emotions
 - 3.11 Neo-emergent theory
 - 3.12 Styles
 - 3.12.1 Autocratic or authoritarian style
 - 3.12.2 Participative or democratic style
 - 3.12.3 Laissez-faire or free rein style
 - 3.13 Narcissistic leadership
 - 3.14 Toxic leadership
 - 3.15 Performance
 - 3.16 Contexts
 - 3.16.1 Organizations
 - 3.16.2 Management
- 4.0 Conclusion
- 5.0 Summary
- 6.0 Tutor Marked Assignment
- 7.0 References/Further Readings

1.0 INTRODUCTION

Leadership has been described as the “process of social influence in which one person can enlist the aid and support of others in the accomplishment of a common task”. Definitions more inclusive of followers have also emerged. Alan Keith of Genentech states that, "Leadership is ultimately about creating a way for people to contribute to making something extraordinary happen." According to Ken "SKC" Ogbonna, "effective leadership is the ability to successfully integrate and maximize available resources within the internal and external environment for the attainment of organizational or societal goals."

The following sections discuss several important aspects of leadership including a description of what leadership is and a description of several popular theories and styles of leadership. This article also discusses topics such as the role of emotions and vision, as well as leadership

effectiveness and performance, leadership in different contexts, how it may differ from related concepts (i.e., management), and some critiques of leadership as generally conceived.

2.0 OBJECTIVES

At the end of this unit, you should be able to

- (i) list and discuss the theories of Leadership;
- (ii) state and explain the styles of leadership that exists.

3.0 MAIN CONTENT

3.1 Theories of Leadership

Leadership is "organizing a group of people to achieve a common goal." The leader may or may not have any formal authority. Students of leadership have produced theories involving traits, Situational interaction, function, behavior, power, vision and values, charisma, and intelligence among others. Arieu, A. defines a leader as "a person capable of inspiring and associate others with a dream." It is therefore important that organizations have a mission high transcendent, since it is a powerful way to strengthen the leadership of its directors.

3.2 Early history of Leadership

The search for the characteristics or traits of leaders has been ongoing for centuries. History's greatest philosophical writings from Plato's Republic to Plutarch's Lives have explored the question of "What qualities distinguish an individual as a leader?" Underlying this search was the early recognition of the importance of leadership and the assumption that leadership is rooted in the characteristics that certain individuals possess. This idea that leadership is based on individual attributes is known as the "trait theory of leadership."

This view of leadership, the trait theory, was explored at length in a number of works in the previous century. Most notable are the writings of Thomas Carlyle and Francis Galton, whose works have prompted decades of research. In *Heroes and Hero Worship* (1841), Carlyle identified the talents, skills, and physical characteristics of men who rose to power. In Galton's (1869) *Hereditary Genius*, he examined leadership qualities in the families of powerful men. After showing that the numbers of eminent relatives dropped off when moving from first degree to second degree relatives, Galton concluded that leadership was inherited. In other words, leaders were born, not developed. Both of these notable works lent great initial support for the notion that leadership is rooted in characteristics of the leader.

For decades, this trait-based perspective dominated empirical and theoretical work in leadership. Using early research techniques, researchers conducted over a hundred studies proposing a number of characteristics that distinguished leaders from non-leaders: intelligence, dominance, adaptability, persistence, integrity, socioeconomic status, and self-confidence just to name a few.[4]

3.3 Rise of Alternative Theories

In the late 1940s and early 1950s, however, a series of qualitative reviews of these studies (e.g., Bird, 1940 Stogdill, 1948; Mann, 1959) prompted researchers to take a drastically different view of the driving forces behind leadership. In reviewing the extant literature, Stogdill and Mann found that while some traits were common across a number of studies, the overall evidence suggested that persons who are leaders in one situation may not necessarily be leaders in other situations. Subsequently, leadership was no longer characterized as an enduring individual trait, as situational approaches (see alternative leadership theories below) posited that individuals can be effective in certain situations, but not others. This approach dominated much of the leadership theory and research for the next few decades.

3.4 Reemergence of Trait Theory

New methods and measurements were developed after these influential reviews that would ultimately reestablish the trait theory as a viable approach to the study of leadership. For example, improvements in researchers' use of the round robin research design methodology allowed researchers to see that individuals can and do emerge as leaders across a variety of situations and tasks. Additionally, during the 1980s statistical advances allowed researchers to conduct meta-analyses, in which they could quantitatively analyze and summarize the findings from a wide array of studies. This advent allowed trait theorists to create a comprehensive and parsimonious picture of previous leadership research rather than rely on the qualitative reviews of the past. Equipped with new methods, leadership researchers revealed the following:

- Individuals can and do emerge as leaders across a variety of situations and tasks
- Significant relationships exist between leadership and such individual traits as:
 - intelligence
 - adjustment
 - extraversion
 - conscientiousness
 - openness to experience
 - general self-efficacy

While the trait theory of leadership has certainly regained popularity, its reemergence has not been accompanied by a corresponding increase in sophisticated conceptual frameworks.

Specifically, Zaccaro (2007) noted that trait theories still:

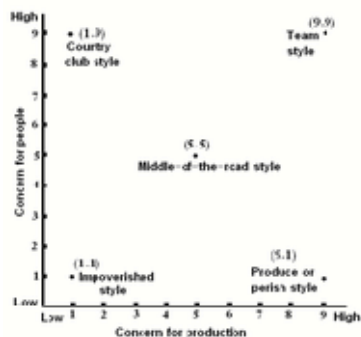
1. Focus on a small set of individual attributes such as Big Five personality traits, to the neglect of cognitive abilities, motives, values, social skills, expertise, and problem-solving skills.
2. Fail to consider patterns or integrations of multiple attributes.
3. Do not distinguish between those leader attributes that are generally not malleable over time and those that are shaped by, and bound to, situational influences.
4. Do not consider how stable leader attributes account for the behavioral diversity necessary for effective leadership.

3.5 Attribute pattern approach

Considering the criticisms of the trait theory outlined above, several researchers have begun to adopt a different perspective of leader individual differences - the leader attribute pattern approach. In contrast to the traditional approach, the leader attribute pattern approach is based on theorists' arguments that the influence of individual characteristics on outcomes is best understood by considering the person as an integrated totality rather than a summation of individual variables. In other words, the leader attribute pattern approach argues that integrated constellations or combinations of individual differences may explain substantial variance in both leader emergence and leader effectiveness beyond that explained by single attributes, or by additive combinations of multiple attributes.

3.6 Behavioral and style theories

In response to the early criticisms of the trait approach, theorists began to research leadership as a set of behaviors, evaluating the behavior of 'successful' leaders, determining a behavior taxonomy and identifying broad leadership styles. David McClelland, for example, Leadership takes a strong personality with a well developed positive ego. Not so much as a pattern of motives, but a set of traits is crucial. To lead; self-confidence and a high self-esteem is useful, perhaps even essential. [Kevin Mick]



A graphical representation of the managerial grid model

Kurt Lewin, Ronald Lipitt, and Ralph White developed in 1939 the seminal work on the influence of leadership styles and performance. The researchers evaluated the performance of groups of eleven-year-old boys under different types of work climate. In each, the leader exercised his influence regarding the type of group decision making, praise and criticism (feedback), and the management of the group tasks (project management) according to three styles: (1) authoritarian, (2) democratic and (3) laissez-faire. Authoritarian climates were characterized by leaders who make decisions alone, demand strict compliance to his orders, and dictate each step taken; future steps were uncertain to a large degree. The leader is not necessarily hostile but is aloof from participation in work and commonly offers personal praise and criticism for the work done. Democratic climates were characterized by collective decision processes, assisted by the leader. Before accomplishing tasks, perspectives are gained from group discussion and technical advice from a leader. Members are given choices and collectively

decide the division of labor. Praise and criticism in such an environment are objective, fact minded and given by a group member without necessarily having participated extensively in the actual work. Laissez faire climates gave freedom to the group for policy determination without any participation from the leader. The leader remains uninvolved in work decisions unless asked, does not participate in the division of labor, and very infrequently gives praise. The results seemed to confirm that the democratic climate was preferred.

The managerial grid model is also based on a behavioral theory. The model was developed by Robert Blake and Jane Mouton in 1964 and suggests five different leadership styles, based on the leaders' concern for people and their concern for goal achievement.

B.F. Skinner is the father of Behavior Modification and developed the concept of positive reinforcement. Positive reinforcement occurs when a positive stimulus is presented in response to a behavior, increasing the likelihood of that behavior in the future. The following is an example of how positive reinforcement can be used in a business setting. Assume praise is a positive reinforcer for a particular employee. This employee does not show up to work on time every day. The manager of this employee decides to praise the employee for showing up on time every day the employee actually shows up to work on time. As a result, the employee comes to work on time more often because the employee likes to be praised. In this example, praise (i.e. stimulus) is a positive reinforcer for this employee because the employee arrives (i.e. behavior) to work on time more frequently after being praised for showing up to work on time.

The use of positive reinforcement is a successful and growing technique used by leaders to motivate and attain desired behaviors from subordinates. Organizations such as Frito-Lay, 3M, Goodrich, Michigan Bell, and Emery Air Freight have all used reinforcement to increase productivity. Empirical research covering the last 20 years suggests that reinforcement theory has a 17 percent increase in performance. Additionally, many reinforcement techniques such as the use of praise are inexpensive, providing higher performance for lower costs.

3.7 Situational and contingency theories

Situational theory also appeared as a reaction to the trait theory of leadership. Social scientists argued that history was more than the result of intervention of great men as Carlyle suggested. Herbert Spencer (1884) said that the times produce the person and not the other way around. This theory assumes that different situations call for different characteristics; according to this group of theories, no single optimal psychographic profile of a leader exists. According to the theory, "what an individual actually does when acting as a leader is in large part dependent upon characteristics of the situation in which he functions."

Some theorists started to synthesize the trait and situational approaches. Building upon the research of Lewin et al., academics began to normalize the descriptive models of leadership climates, defining three leadership styles and identifying which situations each style works better in. The authoritarian leadership style, for example, is approved in periods of crisis but fails to win the "hearts and minds" of their followers in the day-to-day management; the democratic leadership style is more adequate in situations that require consensus building; finally, the laissez faire leadership style is appreciated by the degree of freedom it provides, but as the leader does

not "take charge", he can be perceived as a failure in protracted or thorny organizational problems. Thus, theorists defined the style of leadership as contingent to the situation, which is sometimes classified as contingency theory. Four contingency leadership theories appear more prominently in the recent years: Fiedler contingency model, Vroom-Yetton decision model, the path-goal theory, and the Hersey-Blanchard situational theory.

The Fiedler contingency model bases the leader's effectiveness on what Fred Fiedler called *situational contingency*. *This results from the interaction of leadership style and situational favorableness* (later called "situational control"). The theory defined two types of leader: those who tend to accomplish the task by developing good-relationships with the group (*relationship-oriented*), and those who have as their prime concern carrying out the task itself (*task-oriented*). According to Fiedler, there is no ideal leader. Both task-oriented and relationship-oriented leaders can be effective if their leadership orientation fits the situation. When there is a good leader-member relation, a highly structured task, and high leader position power, the situation is considered a "favorable situation". Fiedler found that task-oriented leaders are more effective in extremely favourable or unfavourable situations, whereas relationship-oriented leaders perform best in situations with intermediate favourability.

Victor Vroom, in collaboration with Phillip Yetton (1973) and later with Arthur Jago (1988), developed a taxonomy for describing leadership situations, taxonomy that was used in a normative decision model where leadership styles were connected to situational variables, defining which approach was more suitable to which situation. This approach was novel because it supported the idea that the same manager could rely on different group decision making approaches depending on the attributes of each situation. This model was later referred as situational contingency theory.

The path-goal theory of leadership was developed by Robert House (1971) and was based on the expectancy theory of Victor Vroom. According to House, the essence of the theory is "the meta proposition that leaders, to be effective, engage in behaviors that complement subordinates' environments and abilities in a manner that compensates for deficiencies and is instrumental to subordinate satisfaction and individual and work unit performance. The theory identifies four leader behaviors, achievement-oriented, directive, participative, and supportive, that are contingent to the environment factors and follower characteristics. In contrast to the Fiedler contingency model, the path-goal model states that the four leadership behaviors are fluid, and that leaders can adopt any of the four depending on what the situation demands. The path-goal model can be classified both as a contingency theory, as it depends on the circumstances, but also as a transactional leadership theory, as the theory emphasizes the reciprocity behavior between the leader and the followers.

The situational leadership model proposed by Hersey and Blanchard suggests four leadership-styles and four levels of follower-development. For effectiveness, the model posits that the leadership-style must match the appropriate level of followership-development. In this model, leadership behavior becomes a function not only of the characteristics of the leader, but of the characteristics of followers as well (Hersey et al., 2008)

3.8 Functional theory

Functional leadership theory (Hackman & Walton, 1986; McGrath, 1962) is a particularly useful theory for addressing specific leader behaviors expected to contribute to organizational or unit effectiveness. This theory argues that the leader's main job is to see that whatever is necessary to group needs is taken care of; thus, a leader can be said to have done their job well when ~~they~~ they contributed to group effectiveness and cohesion (Fleishman et al., 1991; Hackman & Wageman, 2005; Hackman & Walton, 1986). While functional leadership theory has most often been applied to team leadership (Zaccaro, Rittman, & Marks, 2001), it has also been effectively applied to broader organizational leadership as well (Zaccaro, 2001). In summarizing literature on functional leadership (see Kozlowski et al. (1996), Zaccaro et al. (2001), Hackman and Walton (1986), Hackman & Wageman (2005), Morgeson (2005)), Klein, Zeigert, Knight, and Xiao (2006) observed five broad functions a leader performs when promoting organization's effectiveness. These functions include: (1) environmental monitoring, (2) organizing subordinate activities, (3) teaching and coaching subordinates, (4) motivating others, and (5) intervening actively in the group's work.

A variety of leadership behaviors are expected to facilitate these functions. In initial work identifying leader behavior, Fleishman (1953) observed that subordinates perceived their supervisors' behavior in terms of two broad categories referred to as consideration and initiating structure. Consideration includes behavior involved in fostering effective relationships. Examples of such behavior would include showing concern for a subordinate or acting in a supportive manner towards others. Initiating structure involves the actions of the leader focused specifically on task accomplishment. This could include role clarification, setting performance standards, and holding subordinates accountable to those standards.

3.9 Transactional and transformational theories

Eric Berne first analyzed the relations between a group and its leadership in terms of Transactional Analysis.

The transactional leader (Burns, 1978) is given power to perform certain tasks and reward or punish for the team's performance. It gives the opportunity to the manager to lead the group and the group agrees to follow his lead to accomplish a predetermined goal in exchange for something else. Power is given to the leader to evaluate, correct and train subordinates when productivity is not up to the desired level and reward effectiveness when expected outcome is reached.

The transformational leader (Burns, 1978) motivates its team to be effective and efficient. Communication is the base for goal achievement focusing the group on the final desired outcome or goal attainment. This leader is highly visible and uses chain of command to get the job done. Transformational leaders focus on the big picture, needing to be surrounded by people who take care of the details. The leader is always looking for ideas that move the organization to reach the company's vision.

3.10 Emotions

Leadership can be perceived as a particularly emotion-laden process, with emotions entwined with the social influence process. In an organization, the leader's mood has some effects on his/her group. These effects can be described in 3 levels:

1. The mood of individual group members. Group members with leaders in a positive mood experience more positive mood than do group members with leaders in a negative mood. The leaders transmit their moods to other group members through the mechanism of emotional contagion. Mood contagion may be one of the psychological mechanisms by which charismatic leaders influence followers.
2. The affective tone of the group. Group affective tone represents the consistent or homogeneous affective reactions within a group. Group affective tone is an aggregate of the moods of the individual members of the group and refers to mood at the group level of analysis. Groups with leaders in a positive mood have a more positive affective tone than do groups with leaders in a negative mood.
3. Group processes like coordination, effort expenditure, and task strategy. Public expressions of mood impact how group members think and act. When people experience and express mood, they send signals to others. Leaders signal their goals, intentions, and attitudes through their expressions of moods. For example, expressions of positive moods by leaders signal that leaders deem progress toward goals to be good. The group members respond to those signals cognitively and behaviorally in ways that are reflected in the group processes.

In research about client service, it was found that expressions of positive mood by the leader improve the performance of the group, although in other sectors there were other findings.

Beyond the leader's mood, her/his behavior is a source for employee positive and negative emotions at work. The leader creates situations and events that lead to emotional response. Certain leader behaviors displayed during interactions with their employees are the sources of these affective events. Leaders shape workplace affective events. Examples – feedback giving, allocating tasks, resource distribution. Since employee behavior and productivity are directly affected by their emotional states, it is imperative to consider employee emotional responses to organizational leaders. Emotional intelligence, the ability to understand and manage moods and emotions in the self and others, contributes to effective leadership in organizations. Leadership is about being responsible.

3.11 Neo-emergent theory

The Neo-emergent leadership theory (from the Oxford school of leadership) espouses that leadership is created through the emergence of information by the leader or other stakeholders, not through the true actions of the leader himself. In other words, the reproduction of information or stories form the basis of the perception of leadership by the majority. It is well known that the great naval hero Lord Nelson often wrote his own versions of battles he was involved in, so that

when he arrived home in England he would receive a true hero's welcome. In modern society, the press, blogs and other sources report their own views of a leader, which may be based on reality, but may also be based on a political command, a payment, or an inherent interest of the author, media or leader. Therefore, it can be contended that the perception of all leaders is created and in fact does not reflect their true leadership qualities at all.

3.12 Styles

Leadership style refers to a leader's behaviour. It is the result of the philosophy, personality and experience of the leader.

3.12.1 Autocratic or authoritarian style

Under the autocratic leadership style, all decision-making powers are centralized in the leader, as with dictator leaders.

They do not entertain any suggestions or initiatives from subordinates. The autocratic management has been successful as it provides strong motivation to the manager. It permits quick decision-making, as only one person decides for the whole group and keeps each decision to himself until he feels it is needed to be shared with the rest of the group.

3.12.2 Participative or democratic style

The democratic leadership style favors decision-making by the group as shown, such as leader gives instruction after consulting the group.

They can win the co-operation of their group and can motivate them effectively and positively. The decisions of the democratic leader are not unilateral as with the autocrat because they arise from consultation with the group members and participation by them.

3.12.3 Laissez-faire or free rein style

A free-rein leader does not lead, but leaves the group entirely to itself as shown; such a leader allows maximum freedom to subordinates, i.e., they are given a free hand in deciding their own policies and methods.

Different situations call for different leadership styles. In an emergency when there is little time to converge on an agreement and where a designated authority has significantly more experience or expertise than the rest of the team, an autocratic leadership style may be most effective; however, in a highly motivated and aligned team with a homogeneous level of expertise, a more democratic or laissez-faire style may be more effective. The style adopted should be the one that most effectively achieves the objectives of the group while balancing the interests of its individual members.

3.13 Narcissistic leadership

Various academics such as Kets de Vries, Maccoby and Thomas have identified narcissistic leadership as an important and common leadership style.

3.14 Toxic leadership

A toxic leader is someone who has responsibility over a group of people or an organization, and who abuses the leader-follower relationship by leaving the group or organization in a worse-off condition than when s/he first found them.

3.15 Performance

In the past, some researchers have argued that the actual influence of leaders on organizational outcomes is overrated and romanticized as a result of biased attributions about leaders (Meindl & Ehrlich, 1987). Despite these assertions however, it is largely recognized and accepted by practitioners and researchers that leadership is important, and research supports the notion that leaders do contribute to key organizational outcomes (Day & Lord, 1988; Kaiser, Hogan, & Craig, 2008). To facilitate successful performance it is important to understand and accurately measure leadership performance.

Job performance generally refers to behavior that is expected to contribute to organizational success (Campbell, 1990). Campbell identified a number of specific types of performance dimensions; leadership was one of the dimensions that he identified. There is no consistent, overall definition of leadership performance (Yukl, 2006). Many distinct conceptualizations are often lumped together under the umbrella of leadership performance, including outcomes such as leader effectiveness, leader advancement, and leader emergence (Kaiser et al., 2008). For instance, leadership performance may be used to refer to the career success of the individual leader, performance of the group or organization, or even leader emergence. Each of these measures can be considered conceptually distinct. While these aspects may be related, they are different outcomes and their inclusion should depend on the applied/research focus.

3.16 Contexts

3.16.1 Organizations

An organization that is established as an instrument or means for achieving defined objectives has been referred to as a formal organization. Its design specifies how goals are subdivided and reflected in subdivisions of the organization. Divisions, departments, sections, positions, jobs, and tasks make up this work structure. Thus, the formal organization is expected to behave impersonally in regard to relationships with clients or with its members. According to Weber's definition, entry and subsequent advancement is by merit or seniority. Each employee receives a salary and enjoys a degree of tenure that safeguards her/him from the arbitrary influence of superiors or of powerful clients. The higher his position in the hierarchy, the greater his presumed expertise in adjudicating problems that may arise in the course of the work carried out at lower levels of the organization. It is this bureaucratic structure that forms the basis for the appointment of heads or chiefs of administrative subdivisions in the organization and endows them with the authority attached to their position.[48]

In contrast to the appointed head or chief of an administrative unit, a leader emerges within the context of the informal organization that underlies the formal structure. The informal organization expresses the personal objectives and goals of the individual membership. Their objectives and goals may or may not coincide with those of the formal organization. The informal organization represents an extension of the social structures that generally characterize human life — the spontaneous emergence of groups and organizations as ends in themselves.

In prehistoric times, humanity was preoccupied with personal security, maintenance, protection, and survival. Now humanity spends a major portion of waking hours working for organizations. Her/His need to identify with a community that provides security, protection, maintenance, and a feeling of belonging continues unchanged from prehistoric times. This need is met by the informal organization and its emergent, or unofficial, leaders.

Leaders emerge from within the structure of the informal organization. Their personal qualities, the demands of the situation, or a combination of these and other factors attract followers who accept their leadership within one or several overlay structures. Instead of the authority of position held by an appointed head or chief, the emergent leader wields influence or power. Influence is the ability of a person to gain co-operation from others by means of persuasion or control over rewards. Power is a stronger form of influence because it reflects a person's ability to enforce action through the control of a means of punishment.

A leader is a person who influences a group of people towards a specific result. It is not dependent on title or formal authority. (Bennis, paraphrased from Leaders, Bennis, and Leadership Presence, Halpern & Lubar). Ogbonnia (2007) defines an effective leader "as an individual with the capacity to consistently succeed in a given condition and be recognized as meeting the expectations of an organization or society." Leaders are recognized by their capacity for caring for others, clear communication, and a commitment to persist. An individual who is appointed to a managerial position has the right to command and enforce obedience by virtue of the authority of his position. However, she or he must possess adequate personal attributes to match his authority, because authority is only potentially available to him. In the absence of sufficient personal competence, a manager may be confronted by an emergent leader who can challenge her/his role in the organization and reduce it to that of a figurehead. However, only authority of position has the backing of formal sanctions. It follows that whoever wields personal influence and power can legitimize this only by gaining a formal position in the hierarchy, with commensurate authority. Leadership can be defined as one's ability to get others to willingly

follow. Every organization needs leaders at every level.

3.16.2 Management

Over the years the philosophical terminology of "management" and "leadership" have, in the organisational context, been used both as synonyms and with clearly differentiated meanings. Debate is fairly common about whether the use of these terms should be restricted, and generally reflects an awareness of the distinction made by Burns (1978) between "transactional" leadership (characterised by e.g. emphasis on procedures, contingent reward, management by exception)

and "transformational" leadership (characterised by e.g. charisma, personal relationships, creativity).

Group leadership In contrast to individual leadership, some organizations have adopted group leadership. In this situation, more than one person provides direction to the group as a whole. Some organizations have taken this approach in hopes of increasing creativity, reducing costs, or downsizing. Others may see the traditional leadership of a boss as costing too much in team performance. In some situations, the main the team member(s) best able to handle any given phase of the project become(s) the temporary leader(s). Additionally, as each team member has the opportunity to experience the elevated level of empowerment, it energizes staff and feeds the cycle of success.[53] Leaders who demonstrate persistence, tenacity, determination and synergistic communication skills will bring out the same qualities in their groups. Good leaders use their own inner mentors to energize their team and organizations and lead a team to achieve success.

According to the National School Boards Association (USA)

These Group Leadership or Leadership Teams have specific characteristics:

Characteristics of a Team

- There must be an awareness of unity on the part of all its members.
- There must be interpersonal relationship. Members must have a chance to contribute, learn from and work with others.
- The member must have the ability to act together toward a common goal.

Ten characteristics of well-functioning teams:

- Purpose: Members proudly share a sense of why the team exists and are invested in accomplishing its mission and goals.
- Priorities: Members know what needs to be done next, by whom, and by when to achieve team goals.
- Roles: Members know their roles in getting tasks done and when to allow a more skillful member to do a certain task.
- Decisions: Authority and decision-making lines are clearly understood.
- Conflict: Conflict is dealt with openly and is considered important to decision-making and personal growth.
- Personal traits: members feel their unique personalities are appreciated and well utilized.
- Norms: Group norms for working together are set and seen as standards for every one in the groups.
- Effectiveness: Members find team meetings efficient and productive and look forward to this time together.
- Success: Members know clearly when the team has met with success and share in this equally and proudly.
- Training: Opportunities for feedback and updating skills are provided and taken advantage of by team members.

4.0 CONCLUSION

We have discussed extensively about Leader Early history of Leadership, Rise of Alternative theories and Behavioural and Style theories

5.0 SUMMARY

In this unit, we have listed and discussed the various theories and styles of leadership that exists.

6.0 TUTOR-MARKED ASSIGNMENT

Define Leadership

Mention four Characteristics of a good Leader ?

7.0 REFERENCES/FURTHER READINGS

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UNIT 5 ORGANISATIONAL DYNAMICS OF CHANGE

CONTENTS

- 1.0 Introduction
- 2.0 Objectives
- 3.0 Main Content
 - 3.1 Importance of Change
 - 3.2 Change as a Process
 - 3.3 Forces Favours Change
 - 3.3.1 External Forces for Change
 - 3.3.2 Internal Forces for Change
 - 3.4 Human Resistant to Change
 - 3.5 The Manager's Role as a Change Agent
 - 3.6 Managing Resistance to Change
 - 3.6.1 Sources of Resistance
 - 3.6.2 Overcoming Resistance
 - 3.7 Methods of Minimising Resistance to Change
- 4.0 Conclusion
- 5.0 Summary
- 6.0 Tutor-Marked Assignment
- 7.0 References/Further Readings

1.0 INTRODUCTION

Change is one of the facts of life. In organisational behaviour, the manager, in creating change, creates conflicts. The repercussions and implications of change and conflict must be well understood so that they may be managed and controlled.

In extreme cases, poorly managed conflict and change can completely wipe out the ability of team members or department to work effectively together, improperly introduced changes can also nurture resentment and sabotage.

In this unit, we shall be discussing the importance of change, change as a process, forces favouring change and human resistant to change. We shall also discuss the human resistant to change, manager's role as a change agent and how to manage resistance to change. Finally, we shall discuss methods of minimising resistance to change.

2.0 OBJECTIVES

At the end of this unit, you should be able to:

- (i) discuss the importance of change and change as a process;
- (ii) list and describe the forces favouring change;
- (iii) explain human resistant to change and the manager's role as a change agent;
- (iv) state and explain the management of and methods of overcoming resistant to change.

3.0 MAIN CONTENT

3.1 Importance of Change

Lifestyle is almost synonymous with the concept of change. All organisms must adapt to the demands of their environments and their own stages of growth. Throughout history, animal and plants that have not been able to adapt or change when necessary have become extinct. An organisation is not much different. Even firms, in rather stable and static environments, find that some change eventually becomes necessary if only to accommodate changes in the workforce.

The effects of change upon the formal organisation are great.

3.2 Change as a Process

Change can (and does) occur haphazardly. It can be considered as a process, a series of related activities. It cannot take unless it occurs through people. People must decide that the change should be made, they must plan on how the change will be done, modify the organisation of the firm to incorporate the change most effectively, hire or replace members (with obsolete abilities) with newly appropriate skills and retain those with required abilities and finally make the change work.

The central focus in the concept of organisational change is the reduction of forces that lower the probability of the change's successful implementation, while increasing the effects of the forces that favour the change.

3.3 Forces Favouring Change

Probably the most immediate and apparent factor influencing change is recognition that a problem exists. Forces for change can be conveniently classified as belonging to external and internal forces.

3.3.1 External Forces for Change

There are many external forces bombarding the modern organisation, which make change inevitable. These forces can be categorised into three broad areas, namely:

1. The highly competitive market place in the private and also in many respects the public sectors of the economy.
2. The tremendous accelerating rate of technological advance.
3. The highly volatile changes that are occurring in both the physical and social environment.

In order to remain competitive, organisations must forge ahead on all the three fronts. The external open system environment will have a tremendous impact on organisations and the behaviour of their participants.

3.3.2 Internal Forces for Change

Many internal forces are also precipitating change in the modern organisation. The most usual types of internal change have to do with machinery and equipment, methods and procedures, work standards, personnel and organisational adjustments, and interrelationships with those who hold power, authority, status and responsibility. This list shows that internal change affects both organisational and human variables. One of the best ways to understand the internal aspects of change is through the study of the organisational dynamics through the change and human resistance to it.

3.4 Human Resistant to Change

The role of human resistance to change is important to the study of organisational change. Human resistance to change is part of the dynamics of change. Resistance to change is a fact of organisational life and takes many forms. Three major categories are used, namely: work-related, individual and social factors. These three factors influence resistance to change to function in each sub-system in organisational behaviour.

1. Work-related Factors

- (a) Fear of technological unemployment
- (b) Fear of changes in work conditions
- (c) Fear of demotion and reduced-based wage.

2. Individual Factors

- (a) Fear that the need for level or type of skill and ability will be reduced or eliminated.
- (b) Fear that greater specialisation will occur, resulting in boredom, monotony and a decreased sense of personal worth.
- (c) Inconvenience of having to learn present method.
- (d) Inconvenience of having to learn a new method.
- (e) Fear that harder work will be required.
- (f) Fear of uncertainty and the unknown.

3. Social Factors

- (a) Dislike of having to make new social adjustment.
- (b) Fear that the new social situation will bring reduction in satisfaction.
- (c) Dislike of outside interference and control.
- (d) Dislike of those initiating the change.
- (e) Resentment of lack of participation in setting up the change.
- (f) Perception that the change will benefit the formal organisation more than the individual, the work group, or the society.

Despite the widespread resistance to change found at all levels of the modern organisations, it should not be automatically assumed that participants will resist change, or if they do resist, that it is inherently bad for the organisation. As indicated above, resistance will occur when the change is viewed as a threat or barrier to individuals' survival.

3.5 The Manager's Role as a Change Agent

Regardless of the change model used, the manager plays a crucial role in organisational change. As Blake and Mouton points out, it is absolutely essential for managers to lead the way when changing a company. Anything managers do that suggests uncertainty and indecisiveness causes a ripple effect throughout the organisation. This rest in its foot-dragging and also causes employees to question how committed to change top management really is. Effective leadership does not mean that managers cannot use consultant, but it is clearly the duty of top management to be a visible instrument in the change process.

Managers can take any one of three positions when the winds of change begin to blow. Too often, they deny the need for change altogether. This is especially true when other organisational members strongly resist change. An alternative is to try to accommodate the change this usually involves preserving as much of the status quo as possible; while attempting piecemeal, quick fix solutions. The third and preferable way is for the manager to be truly an agent for change. This means recognising the need for change and accepting primary responsibility for paving its way. Depending on the problem, facilitating change may involve intervention, development programs, or other activities designed to improve an organisation's effectiveness and health. Various intervention techniques and organisational development approaches are discussed later in this unit.

3.6 Managing Resistance to Change

The most needed and best-planned change carries no guarantee that it will be accepted. The following statement accurately summarises people's natural resistance to change. As common as change is, the people who work in an organisation may still not like it. Each of those "routine" changes can be accompanied by tension, stress, squabbling, sabotage, turnover, subtle undermining behind the scenes, foot-dragging, work slow downs, needless political battles, and a drain on money and time – in short, symptoms of that every present bugaboo, "resistance to change".

3.6.1 Sources of Resistance

Understanding the sources of resistance to change is the first step in designing a programme to help an organisation to accept change. These are the most common causes for resistance:

1. Ignorance

When people have insufficient knowledge, they are uncertain about the causes and effects of change. This uncertainty, in turn causes stress and resistance. As with walking in the dark, most people would rather stay put than venture into the unknown. Also, when people are uncertain about reality they try to guess about it, sometimes adding imaginary problems to the real ones. For example, if employees learn via the grape vine that management is considering merging departments to streamline operations and cut costs, they are likely to resist the change because they fear losing their jobs or having new reporting relationships.

2. Desire for Security

People often want to retain the status quo even when they know it is inferior. The security of the “known” makes them resist change. The faster or more major the change, the more powerful the lure of the comforting status quo. Marvin Lofler first discusses the phenomenon extensively in his best-selling future shock. Lofler and another futurist, John Maismith, vividly describe our changing society and suggest ways that organisations will adapt to change. Maismith and Lofler think that as America becomes an information society, the results will be widespread use of microcomputers, listening word processors and electronic mail. They predict the emergence of a global economy which will spawn new industries such as space or science and molecular biology. Lofler predicts a trend to assembly lines, fewer mass-produced goods and a move towards customised products. He also foresees the development of new sources of energy, extensive use of robotics in manufacturing and continued movement toward greater participatory management.

3. Fear and Lack of Ambition

Another source of resistance to change is people’s unwillingness to learn the new skills or behaviours that change may require. There are two reasons for this: First, workers fear inability to learn the skills of behaviour therefore change will mean failure. This fear is especially prevalent in older workers who have developed their skills over a long period. Second, some workers simply may not want to exert the energy, time and mental effort required.

4. Informal Group Pressure

Most organisational changes have some informal networks in the formal organisation. Breaking up a closely-knit group or changing social relationship can provoke a great deal of resistance. Organisation managers often overlook these sources of resistance because

the informal network is not the focal point of organisational change. This often unplanned, secondary spillover effect can cause resistance to a change.

5. Eroding Power Bases

The fifth source of resistance to change results from its effect on personal power base. When people expect their status or power to decline, resistance is inevitable. Besides the direct loss of status or power from a change, there are powers and status considering in the change process itself. That is, change often invites criticism from other employees and causes workers to question their own abilities and self-worth.

6. Potential Loss of Job Security

Advances in technology have made this concern for job security strong sources of resistance. A change that can eliminate jobs is threatening to employees. Two examples are the worker whose job will be taken over by a machine or a middle level manager who is afraid that computers will eliminate his or her duties.

7. Personality Conflict

The last source of resistance is caused by personality clashes. These conflict – often are the result of misunderstandings, lack of trust or mistrust or past resentments. For instance, if employees whose personality conflict must have daily personal contact because of a structural change, they are likely to resist the reorganisation. This resistance can be strong enough to override the best of changes conflict among workers, between positions or with managers. Generally, all can inhibit acceptance of change.

3.6.2 Overcoming Resistance

Managers often underestimate both the amount of resistance a proposed change can provoke and the negative effective that this resistance can have on progress. There are certain ways to minimise the resistance, however, Kotter and Schlesinger's approaches, are among the most effective methods that managers can use in dealing with resistance to change.

1. Proper Communication

One of the best ways to overcome resistance is through education and communication. All the people who may be affected by a change need advance information about the reason for the change, its nature, its planned timing, and the impact it is likely to have on the organisation and personnel. When lines of communication are kept open, people can get the information they need as well as communicate their concerns. For communication to effectively reduce resistance, good superior-subordinate relationship is necessary so that people will believe what they are told.

2. Participation

Basically, participation means involving affected workers in the change process. People affected by a proposed change can be encouraged to provide their opinions and suggestions. If employees participate in an activity such as collecting performance data, they may be convinced of the need for change. This approach requires that management show genuine interests in what others have to say and whenever possible, give credit to the right people or their valuable input. Why is this method so effective? Because change is threatening when done to us but exciting when done by us.

3. Empathy

Facilitation and support is the third method for overcoming resistance to change. This method recognises that resistance can come from good and rational concerns. By being supportive may involve extra training in new skills, or simply listening and providing emotional support, management can also smoothen the change process by emphasizing its most personal benefits and giving people time to adjust. A change can also be implemented in phases in an effort to minimise the upheaval.

4. Negotiation and Incentive

Managers can use this approach for specific sources of resistance. For instance, if workers fear is allayed that they won't be fired as a result of the change. Another way to use negotiation and agreement is to offer incentive to those who support the changes even if the change results in the loss of jobs. Exxon Corporation, for example, offered its employees bonuses to take early retirement when it decided to cut its workforce by forty thousand in 1980. Coca-cola offered attractive prices to the seller it was trying to buy out during its restructuring.

5. Manipulation

Some managers try to reduce resistance by manipulation and co-optation. Manipulation usually involves the selective use of information and the conscious structuring of events. For example, when Exxon announced its plans to reduce its workforce by one fourth, it realised that forty thousand people might not want to retire voluntarily, even with the inducement, so Exxon informed its employees that apart of its announcement that involuntary retirements and firings with regular severance pay would make up the balance. Exxon manipulated its employees by creating uncertain conditions.

Co-optation is a form of manipulation in which potential resisters or leaders of resisting groups are given a role in designing or implementing change. The basic difference between co-optation and the participation referred to earlier is that co-optation looks for help merely to silence potential dissenters, not for the sake of valuable information that may be gained.

6. Coercion

The last method for overcoming resistance is explicit and implicit coercion, which force acceptance. Explicit coercion often takes the form of firing or transferring resisters. Issuing statement designed to create fear of the business going bankrupt is an example of implicit coercion. Choosing a method to minimise or eliminate resistance depends on the sources of the resistance and the time constraints for implementing the change. The objectives of all these methods are to turn resistance into commitment.

Summary:

SOURCES OF RESISTANCE POSSIBLE REMEDIES

Ignorance, inadequate information	Complete accurate communication based on mutual superior-subordinate trust.
Loss of job	Empathy, additional training, gradual change incentive
Fear, lack of ambition	Incentives, supportive atmosphere, guarantee of job retention, involvement
Personality conflict	Manipulation coercion
Loss of status	Additional training, incentives
Informal group pressure	Incentives for group leaders, co-optation, manipulation coercion.

4.0 CONCLUSION

This unit has tried to explain that change is the only permanent thing in the life of man, society, nation and organisations. When such changes become imminent, efforts must be geared toward managing the situation in order to overcome resistance to such change.

5.0 SUMMARY

In this unit, we have:

- discussed the importance of change and change as a process;
- listed and described the forces favouring change;
- explained human resistant to change and the manager's role as a change agent;
- stated and explained the management of and methods of overcoming resistant to change.

6.0 TUTOR-MARKED ASSIGNMENT

List and Described the forces favouring to change

7.0 REFERENCES/FURTHER READINGS

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