

ORGANIZATIONAL BEHAVIOUR

UNIT 1

Introduction:

Organizational Behaviour (OB) is the study of human behaviour in organizational settings, the interface between human behaviour and the organization, and the organization itself.

Organizational Behaviour researchers study the behavior of individuals primarily in their organizational roles.

One of the main goals of organizational behavior is to revitalize organizational theory and develop a better conceptualization of organizational life.

As a multidisciplinary field, organizational behavior has been influenced by developments in a number of allied disciplines including sociology, psychology, economics, and engineering as well as by the experience of practitioners.

Organizational behavior is the study of both group and individual performance and activity within an organization.

This area of study examines human behavior in a work environment and determines its impact on job structure, performance, communication, motivation, leadership, etc.

It is the systematic study and application of knowledge about how individuals and groups act within the organizations where they work. OB draws from other disciplines to create a unique field.

For example, when we review topics such as personality and motivation, we will again review studies from the field of psychology. The topic of team processes relies heavily on the field of sociology.

When we study power and influence in organizations, we borrow heavily from political sciences.

Even medical science contributes to the field of Organizational Behavior, particularly in the study of stress and its effects on individuals.

There is increasing agreement as to the components or topics that constitute the subject area of OB.

Although there is still considerable debate as to the relative importance of change, there appears to be general agreement that OB

includes the core topics of motivation, leader behavior, and power, interpersonal communication, group structure and processes, learning, attitude development, and perception, change processes, conflict, work design, and work stress.

Organization –An organized group of people with a particular purpose Eg:Bank,school,Company

Behaviour:Actions and Reactions of individual and groups in an organization

Organizational Behaviour OB is the term used to describe the actions and reaction of individuals and group as they interact with one another in the course of their work

Management Goals of organization are attained by the efforts of employee

Definition Of Organizational Behaviour

OB can be defined *“as the systematic study of the actions and reaction of individual, groups and subsystem in which individuals are organized to achieve certain predetermined goals through the division of labor and coordination of activities”*.

Features of Organizational Behavior

Organizational Behavior is the study and application of knowledge about how people, individuals, and groups act in organizations. It does this by taking a system approach.

That is, it interprets people-organization relationships in terms of the whole person, the whole group, the whole organization, and the whole social system.

Its purpose is to build better relationships by achieving human objectives, organizational objectives, and social objectives.

Organizational Behavior is:

1. A Separate Field of Study and not a Discipline Only.
2. An Interdisciplinary Approach.
3. Applied Science.
4. Normative Science.
5. A Humanistic and Optimistic Approach.
6. A Total System Approach.

These 6 features or characteristics show the nature of Organizational Behavior that is the study of understanding and control behavior within the organization.

A Separate Field of Study and not a Discipline Only

By definition, a discipline is an accepted science that is based on a theoretical foundation. But, OB has a multi-interdisciplinary orientation and is, thus, not based on a specific theoretical background.

Therefore, it is better to reason to call OB a separate field of study rather than a discipline only.

An Interdisciplinary Approach

Organizational behavior is essentially an interdisciplinary approach to study human behavior at work.

OB tries to integrate the relevant knowledge drawn from related disciplines like psychology, sociology, and anthropology to make them applicable for studying and analyzing organizational behavior.

An Applied Science

The very nature of OB is applied.

What OB basically does is the application of various research to solve the organizational problems related to human behavior. The basic line of difference between pure science and OB is that while the former concentrates on fundamental research, the latter concentrates on applied research.

OB involves both applied research and its application in organizational analysis.

Hence, OB can be called both science as well as art.

A Normative Science

Organizational Behavior is a normative science also. While positive science discusses the only cause-effect relationship, OB prescribes how the findings of applied research can be applied to socially accepted organizational goals.

Thus, OB deals with what is accepted by individuals and society engaged in an organization. Yes, it is not that OB is not normative at all.

In fact, OB is normative as well which is well underscored by the proliferation of management theories

A Humanistic and Optimistic Approach

Organizational Behavior applies a humanistic approach towards people working in the organization. It deals with the thinking and feeling of human beings.

OB is based on the belief that people have an innate desire to be independent, creative and productive.

It also realizes that people working in the organization can and will actualize these potentials if they are given proper conditions and environments.

The environment affects performance of workers working in an organization.

A Total System Approach

The system approach is one that integrates all the variables, affecting organizational functioning.

The systems approach has been developed by behavioral scientists to analyze human behavior in view of his/her socio-psychological framework.

Man's socio-psychological framework makes the man a complex one and the systems approach tries to study his/her complexity and find a solution to it.

Fundamental Concepts of Organizational Behavior

Organization Behavior is based on a few fundamental concepts which revolve around the nature of people and organizations.

- Individual Differences.
- Perception.
- A Whole Person.
- Motivated Behavior.
- The desire for Involvement.
- The value of the Person.
- Human Dignity.
- Organizations are Social System.
- Mutuality of Interest.
- Holistic Concept.

Individual Differences

Every individual in the world is different from others. Science supports this idea. Each person is different from all others, probably in a million ways, just as each's DNA profile is different.

The idea of the individual difference comes originally from psychology. From the day of birth, each person is unique, and personal experiences after birth tend to make people even more different

Perception

Peoples' perceptions are also different when they see an object. Two people can differently present the same object. And this is occurring for their experiences.

A person always organizes and interprets what he sees according to his lifetime of experience and accumulated value.

Employees also see work differently for differ in their personalities, needs, demographics factors, past experiences, and social surroundings.

A Whole Person

An employee's personal life is not detached from his working life.

As an example, A women who attend the office at 9:00 AM is always anxious for her children's school time (if her kids can participate in the school or not).

As a result, its impact falls on her concentration that means her working life. For this reason, we cannot separate it. So the manager should treat an employee as a whole person.

Motivated Behavior

An employee has so many needs inside him.

So, they want to fulfill those needs. That's why; they had to perform well in the organization.

Some motivations are necessary to enrich the quality of work. A path toward increased need fulfilment is the better way to enhances the quality of work.

Desire for Involvement

Every employee is actively seeking opportunities to work to involve in decision-making problems. They hunger for the chance to share what they know and to learn from the experience.

So, the organization should provide them a chance to express their opinions, ideas, and suggestions for the decision-making problem.

A meaningful involvement can bring mutual benefit to both parties.

Value of the Person

An employee wants to be treated separately from another factor of production, (land, capital, labor).

They refuse to accept the old idea that they are just treated as economic tools because they are the best creation of Almighty Allah.

For this, reason, they want to be treated with carrying respect, dignity and other things from their employers and society.

Human Dignity

This concept is very philosophical. Every person needs to be treated with dignity and respect, whether it's the CEO of the company or labor.

It confirms that people are to be treated differently from other factors of production because they are of a higher order in the universe.

it recognizes human dignity because people are of a higher order; they want to be treated with respect and dignity and should be treated this way.

Organizations are Social System

From sociology, we learn that organizations are social systems; consequently, activities therein are governed by social laws as well as psychological laws. Just as people have psychological needs, they also have social roles and status. Their behavior is influenced by their group as well as by their drives.

In fact, two types of social systems exist side by side in organizations. One is a formal system, and the other is the informal social system.

Mutuality of Interest

Mutual interest is represented by the statement that organizations need people and people also need organizations.

Organizations have a human purpose. They are formed and maintained by some mutuality of interest among their participants.

People see organizations as a means to help them reach their goals, while at the same time; organizations need people to help achieve organizational objectives.

If mutuality is lacking, it makes no sense to try to assemble a group and develop cooperation, because there is no common base on which to build.

Mutual interest provides a super-ordinate goal that unites the variety of needs that people bring to organizations.

The result is that people are encouraged to attack organizational problems rather than each other.

Holistic Concept

When the fundamental concepts of OB are placed together, a holistic concept emerges.

This concept interprets people-organization relationships regarding the whole person, the whole group, whole organization, and the whole social system.

It takes across the board view of people in organizations to understand as many as possible of the factors that influence their behavior. Issues are analyzed in terms of the total situation affecting them rather than in terms of an isolated event or problems.

Main Challenges and Opportunities of Organizational Behaviour

Challenges and opportunities of organizational behavior are massive and rapidly changing for improving productivity and meeting business goals.

1. Improving Peoples' Skills.
2. Improving Quality and Productivity.
3. Total Quality Management (TQM).
4. Managing Workforce Diversity.
5. Responding to Globalization.
6. Empowering People.
7. Coping with Temporariness.
8. Stimulating Innovation and Change.
9. Emergence of E-Organisation & E-Commerce.
10. Improving Ethical Behavior.

11. Improving Customer Service.
 12. Helping Employees Balance Work-Life Conflicts.
 13. Flattening world
 14. Technological changes, structural changes, environmental changes are accelerated at a faster rate in the business field.
- Unless employees and executives are equipped to possess the required skills to adapt to those changes, the targeted goals cannot be achieved in time.

These two different categories of skills – managerial skills and technical skills.

Some of the managerial skills include listening skills, motivating skills, planning and organizing skills, leading skills, problem-solving skills, decision-making skills.

These skills can be enhanced by organizing a series of training and development programs, career development programs, induction, and socialization.

Improving Quality and Productivity

Quality is the extent to which the customers or users believe the product or service surpasses their needs and expectations. For example, a customer who purchases an automobile has a certain expectation, one of which is that the automobile engine will start when it is turned on.

If the engine fails to start, the customer's expectations will not have been met and the customer will perceive the quality of the car as poor.

The key dimensions of quality as follows.

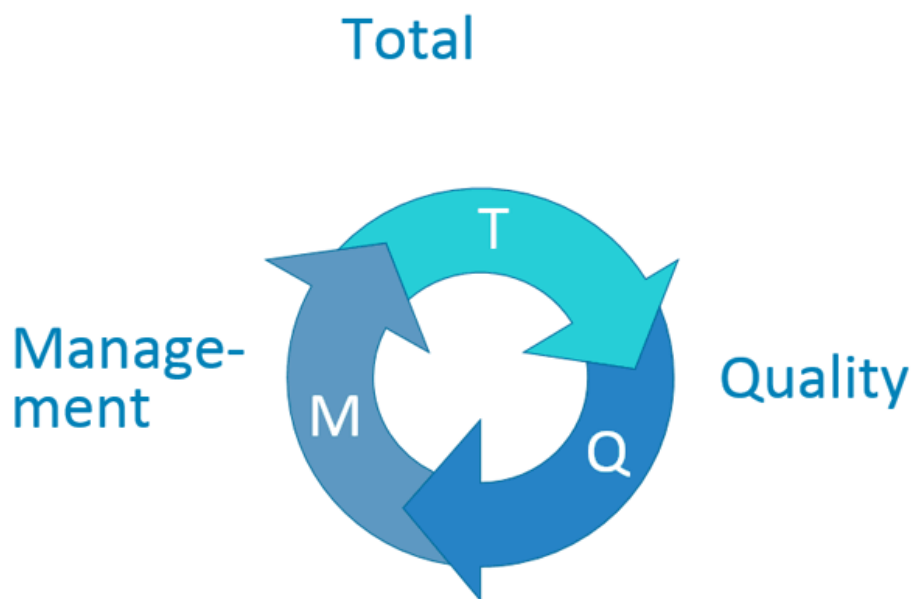
- **Performance:** Primary rating characteristics of a product such as signal coverage, audio quality, display quality, etc.
- **Features:** Secondary characteristics, added features, such as calculators, and alarm clock features in handphone
- **Conformance:** meeting specifications or industry standards, the workmanship of the degree to which a product's design or operating characteristics match pre-established standards

- **Reliability:** The probability of a product's falling within a specified period
- **Durability:** It is a measure of a product's life having both economic and technical dimension
- **Services:** Resolution of problem and complaints, ease of repair
- **Response:** Human to human interfaces, such as the courtesy of the dealer « Aesthetics: Sensory characteristics such exterior finish
- **Reputations:** Past performance and other intangibles, such as being ranked first.

More and more managers are confronting to meet the challenges to fulfill the specific requirements of customers.

To improve quality and productivity, they are implementing programs like total quality management and reengineering programs that require extensive employee involvement.

Total Quality Management (TQM)



Total Quality Management (TQM) is a philosophy of management that is driven by the constant attainment of customer satisfaction through the continuous improvement of all organizational processes.

The components of TQM are;

- (a) An intense focus on the customer,
- (b) Concern for continual improvement,
- (c) Improvement in the quality of everything the organization does,
- (d) Accurate measurement and,
- (e) Empowerment of employees.

Managing Workforce Diversity

This refers to employing different categories of employees who are heterogeneous in terms of gender, race, ethnicity, relation, community, physically disadvantaged, elderly people, etc.

The primary reason to employ the heterogeneous category of employees is to tap the talents and potentialities, harnessing the innovativeness, obtaining synergetic effect among the diverse workforce.

In general, employees wanted to retain their individual and cultural identity, values and lifestyles even though they are working in the same organization with common rules and regulations.

The major challenge for organizations is to become more accommodating to diverse groups of people by addressing their different lifestyles, family needs, and work styles.

Responding to Globalization

Today's business is mostly market-driven; wherever the demands exist irrespective of distance, locations, climatic conditions, the business operations are expanded to gain their market share and to remain in the top rank, etc. Business operations are no longer restricted to a particular locality or region.

The company's products or services are spreading across nations using mass communication, the internet, faster transportation, etc. More than 95% of Nokia (Now Microsoft) handphones are being sold outside of their home country Finland.

Japanese cars are being sold in different parts of the globe. Sri Lankan tea is exported to many cities around the globe.

Garment products of Bangladesh are exporting in the USA and EU countries. Executives of Multinational corporations are very mobile and move from one subsidiary to another more frequently.

Empowering People

The main issue is delegating more power and responsibility to the lower level cadre of employees and assigning more freedom to make choices about their schedules, operations, procedures and the method of solving their work-related problems.

Encouraging the employees to participate in the work-related decision will sizably enhance their commitment to work.

Empowerment is defined as putting employees in charge of what they do by eliciting some sort of ownership in them. Managers are doing considerably further by allowing employees full control of their work.

Movement implies constant change an increasing number of organizations are using self-managed teams, where workers operate largely without a boss.

Due to the implementation of empowerment concepts across all the levels, the relationship between managers and the employees is reshaped.

Managers will act as coaches, advisors, sponsors, facilitators and help their subordinates to do their tasks with minimal guidance.

Coping with Temporariness

In recent times, the product life cycles are slimming, the methods of operations are improving, and fashions are changing very fast. In those days, the managers needed to introduce major change programs once or twice a decade.

Today, change is an ongoing activity for most managers. The concept of continuous improvement implies constant change.

In yesteryears, there used to be a long period of stability and occasionally interrupted by a short period of change, but at present, the change process is an ongoing activity due to competitiveness in developing new products and services with better features. Everyone in the organization faces today is one of permanent temporariness. The actual jobs that workers perform are in a permanent state of flux. So, workers need to continually update their knowledge and skills to perform new job requirements.

Stimulating Innovation and Change

Today's successful organizations must foster innovation and be proficient in the art of change; otherwise, they will become candidates for extinction in due course of time and vanished from their field of business.

Victory will go to those organizations that maintain flexibility, continually improve their quality, and beat the competition to the market place with a constant stream of innovative products and services. For example, Compaq succeeded by creating more powerful personal computers for the same or less money than EBNM or Apple, and by putting their products to market quicker than the bigger competitors.

The emergence of E-Organization & E-Commerce

It refers to the business operations involving the electronic mode of transactions. It encompasses presenting products on websites and filling the order.

The vast majority of articles and media attention given to using the Internet in business are directed at online shopping. In this process, the marketing and selling of goods and services are being carried out over the Internet.

In e-commerce, the following activities are being taken place quite often – the tremendous numbers of people who are shopping on the Internet, business houses are setting up websites where they can sell goods, conducting the following transactions such as getting paid and fulfilling orders.

It is a dramatic change in the way a company relates to its customers. At present e-commerce is exploding. Globally, e-commerce spending was increasing at a tremendous rate.

Improving Ethical Behavior

The complexity in business operations is forcing the workforce to face ethical dilemmas, where they are required to define right and wrong conduct to complete their assigned activities.

For example,

- Should the employees of a chemical company blow the whistle if they uncover the discharging its untreated effluents into the river are polluting its water resources?
- Do managers give an inflated performance evaluation to an employee they like, knowing that such an evaluation could save that employee's job?

The ground rules governing the constituents of good ethical behavior has not been clearly defined, Differentiating right things from wrong behavior has become more blurred.

Following unethical practices have become a common practice such as successful executives who use insider information for personal financial gain, employees in competitor businesses participating in massive cover-ups of defective products, etc.

Improving Customer Service

OB can contribute to improving organizational performance by showing that how employees' attitudes and behavior are associated with customer satisfaction.

In that case, service should be the first production-oriented by using technological opportunities like a computer, the internet, etc. To improve customer service we need to provide sales service and also the after-sales service.

Helping Employees Balance Work-Life Conflicts

The typical employee in the 1960s or 1970s showed up at the workplace Monday through Friday and did his or her job 8 or 9-hour chunk of time.

The workplace and hours were specified. That's no longer true for a large segment of today's workforce.

Employees are increasingly complaining that the line between work and non-work time has become blurred, creating personal conflict and stress. Many forces have contributed to blurring the lines between employees' work life and personal life.

First, the creation of global organizations means their world never sleeps. At any time and on any day, for instance, thousands of General Electric employees are working somewhere.

Second, communication technology allows employees to do their work at home, in their cars, or on the beach in Cox's Bazar. This lets many people in technical and professional jobs do their work anytime and from any place.

Third, organizations are asking employees to put in longer hours.

Finally, fewer families have only a single breadwinner. Today's married employee is typically part of a dual-career couple. This makes it increasingly difficult for married employees to find the time to fulfill commitments to home, spouse, children, parents, and friends.

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This makes it increasingly difficult for married employees to find the time to fulfill commitments to home, spouse, children, parents, and friends. Employees are increasingly recognizing that work is squeezing out personal lives and they're not happy about it.

For example, recent studies suggest that employees want jobs that give them flexibility in their work schedules so they can better manage work/life conflicts.

Also, the next generation of employees is likely to show similar concerns. A majority of college and university students say that attaining a balance between personal life and work is a primary career goal. They want a life as well as a job.

Flattening World

Thomas Friedman's book *The World Is Flat: A Brief History of the Twenty-First Century* makes the point that the Internet has "flattened" the world and created an environment in which there is a more level playing field in terms of access to information.

This access to information has led to an increase in innovation, as knowledge can be shared instantly across time zones and cultures.

It has also created intense competition, as the speed of business is growing faster and faster all the time.

Limitations of Organizational Behavior

Recognize the limitations of organizational behavior. Organizational Behavior will not abolish conflict and frustration; it can only reduce them. It is a way to improve, not an absolute answer to problems. Furthermore, it is but part of the whole cloth of an organization.

We can discuss organizational behavior as a separate subject, but to apply it, we must tie it to the whole reality. Improved organizational behavior will not solve unemployment.

Organizational Behavior will not make up for our deficiencies, cannot substitute for poor planning, inept organizing, or inadequate controls.

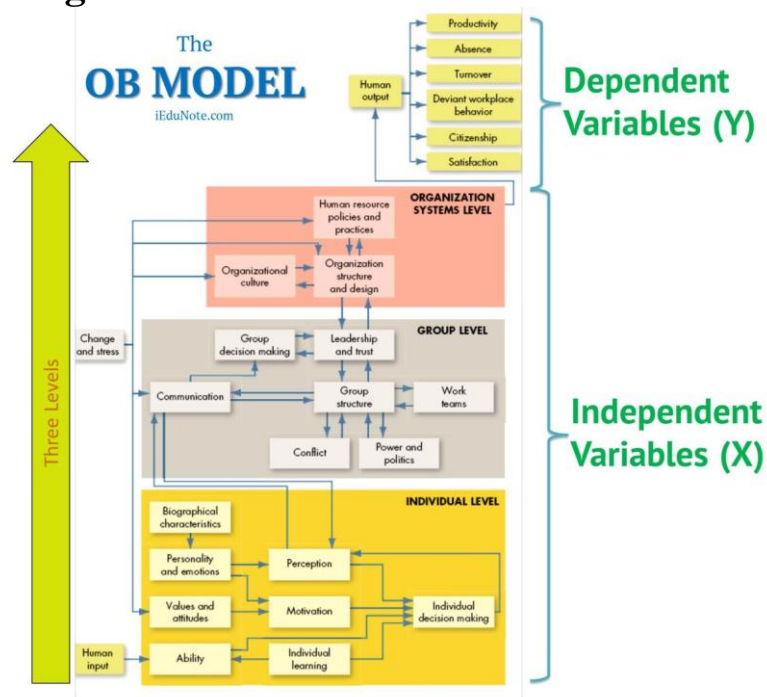
It is only one of the many systems operating within a larger social system.

3 major limitations of OB are;

1. Behavioral Bias.
2. The Law of Diminishing Returns.
3. Unethical Manipulation of People.

Learn how these organizational behavior limitations work.

Organizational Behavior Model



The OB model Shows the 3 levels, Individual-level, Group level, and Organization System-level and how they impact the elements of human output.

The above figure presents the skeleton on which constructed the OB model. It proposes that there are three levels of analysis in OB and that, as we move from the individual level to the organization systems level, we add systematically to our understanding of behavior in organizations. The three basic levels are analogous to building blocks; each level is constructed on the previous level.

Group concepts grow out of the foundation laid in the individual section; we overlay constraints on the individual and group in order to arrive at organizational behavior.

Key Forces Affecting Organizational Behavior



There is a complex set of key forces that affect organizational behavior today. These key forces are classified into four areas;

- People.
- Structure.
- Technology.
- Environment.

There is an interaction between people, structure, and technology and these elements are influenced by the environment. 4 key forces affecting Organizational Behaviour and it is applied.

People

People make up the internal social system of the organization. That system consists of individuals and groups and groups may be large and small, formal and informal.

Groups are dynamic.

Group form, change and disband. Since the organization is a combination of a group of people, managers must handle the people in the right direction.

This is very challenging to guide people or employees who have different educational backgrounds, talent, and perspectives. So managers must understand predict and control the people. They build up a relationship among the employees and motivate themselves.

Structure

The structure defines the formal relationship and use of people in the organization. There are managers and employees, accounts assemblers to accomplish different kinds of activities.

They are related structurally so that their work can be effectively coordinated. Because there is no organization can be successful without proper coordination.

Many organizational structures have become flatter. This downsizing and restructuring have occurred as a result of the pressure to lower costs while remaining competitive.

Other structures have grown more complex as a result of mergers, acquisitions, and new ventures. Several organizations have experimented with hiring contingent workforces (temporary, part-time, or contract employees).

Finally, many firms have moved from a traditional structure to a team-based one.

Technology

Technology provides the resources with which people work and affects the tasks that they perform. They cannot accomplish work with their bare hands.

The technology used has a significant influence on working relationships.

The great benefit of technology is that it allows people to do more and better work, but it also restricts people in various ways. It has cost as well as benefits.

Examples of the impact of technology include the increasing use of robots and automated control systems in an assembly line.

The dramatic shift from a manufacturing to a service economy, the impressive advances in computer hardware and software capabilities, the rapid move toward the widespread use of the information highway (internet). And the need to respond to societal demands for improved quality of goods and services at acceptable prices.

If any person has a lack of technological knowledge he/she cannot work. Moreover, technology decrease per unit cost and improve the quality of the products and services.

Environment

All organizations operate within an internal and external environment. A single organization does not exist alone.

An organization is a part of a larger system that contains many other elements, such as the government, the family, and other organizations. Numerous changes in the environment create demands on organizations.

Citizens expect organizations should be socially responsible; new products and competition for customers come from around the globe; the direct impact of unions diminishes; the dramatic pace of change in society quickens.

There is a direct impact of several trade unions of organizations. So all the elements of environments influence the attitude and provide competition. It must be considered in the study of human behavior in an organization.

Need and Importance of Organizational Behaviour

The reason Organizational Behavior studies are uniquely useful for succeeding as a leader of a large business. OB teaches you what makes people make decisions, why employees are not motivated to do what you want them to do and why people are productive or not productive.

Making good decisions and creating an environment where people can be creative and motivated, are very important for a

successful business. So studying and **understanding Organizational Behavior** is one of the truly important ingredients of business success. Organizational Behavior studies power and organizational politics. If you don't understand these topics, you will struggle as an employee, especially in large organizations.

OB applies the knowledge gained from individuals, groups, and the effect of structure on behavior to make organizations work more effectively.

It studies the interrelation between an individual and an organization in the following ways:

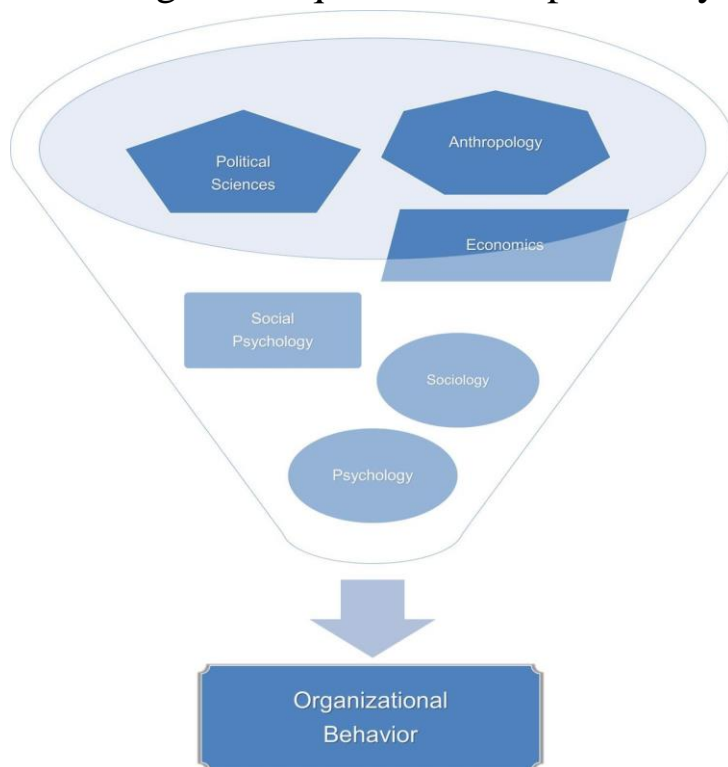
- ❖ OB helps to learn about thyself and how to deal with others
- ❖ Organizational Behavior is a way of thinking.
- ❖ Organizational Behavior is multidisciplinary and it helps us multiple ways.
- ❖ There is a distinctly humanistic orientation with OB.
- ❖ The field of organizational behavior is performance-oriented.
- ❖ Organizational Behavior satisfies the need to understand and predict.
- ❖ It helps us to test personal theories.
- ❖ OB helps the managers to understand the basis of motivation and what he should do to motivate his subordinates.
- ❖ OB helps to maintain cordial industrial relations which help to increase the overall productivity of the industry.
- ❖ The subject of organizational behavior is useful in the field of marketing.
- ❖ This helps greatly in improving bur inter-personal relations in the organizations. Friendly and cordial relations between employees and management and also among the employees create a congenial work environment in organizations.
- ❖ It helps managers apply appropriate motivational techniques by the nature of individual employees who exhibit a glaring difference in many respects.
- ❖ One of the basic characteristics of OB is that it is human. So to say, OB tackles human problems humanely. It helps understand the cause of the problem, predicts is the future course of action and controls its evil consequences.

- ❖ Another popular reason for studying OB is to learn how to predict human behavior ‘ and, then, apply it in some useful way to make the organization more effective.
- ❖ OB implies that the effective utilization of people working in the organization guarantees the success of the organization.
- ❖ The most popular reason for studying organizational behavior is that the reader is interested in pursuing a career in management and wants to learn how to predict behavior and apply in some meaningful way to make organizations more effective.
- ❖ OB has a great impact on individuals and also in organizations that cannot be ignored. To run the businesses effectively and efficiently, the study of organizational behavior is very essential.

Contributing Disciplines to the Organization Behavior Field

There are some important disciplines in the organizational behavior field which developed it extensively.

Due to an increase in organizational complexity, various types of knowledge are required and help in many ways.



Contributing Disciplines to the Organization Behavior Field are:

1. Psychology.
2. Sociology.
3. Social Psychology.
4. Anthropology.
5. Political Sciences.
6. Economics.

Psychology

Psychology has perhaps the first influence on the field of organizational behavior because it is a science of behavior. A psychologist studies almost all aspects Of behavior.

Psychology deals with studying human behavior that seeks to explain and sometimes change the behavior of humans and other animals.

Psychologists are primarily interested in predicting the behavior of individuals to a great extent by observing the dynamics of personal factors.

Those who have contributed and continued to add to the knowledge of OB are teaching theorists, personality theorists, counseling psychologists and primary, industrial and organizational psychologists.

Some of the numerous areas of interest within the disciplines of psychology are:

- General Psychology
- Experimental Psychology
- Clinical Psychology
- Consumer Psychology
- Personality and Social Psychology
- Industrial Psychology
- Counseling Psychology
- Educational Psychology
- Consulting Psychology

Understanding Psychological principles and its models help significantly in gaining the knowledge of determinants of individual behavior such as

- the learning process,
- motivation techniques,
- personality determinants and development,
- perceptual process and its implications,
- training process,
- leadership effectiveness,
- job satisfaction,
- individual decision making,
- performance appraisal,
- attitude measurement,
- employee selection,
- job design and work stress.

Sociology

The major focus of sociologists is on studying the social systems in which individuals fill their roles. The focus is on group dynamics.

They have made their greatest contribution to OB through their study of group behavior in organizations, particularly formal and sophisticated organizations.

Sociological concepts, theories, models, and techniques help significantly to understand better the group dynamics, organizational culture, formal organization theory and structure, corporate technology, bureaucracy, communications, power, conflict, and intergroup behavior.

Psychologists are primarily interested in focusing their attention on individual behavior.

Key concepts of Sociology are;

Most sociologists today identify the discipline by using one of the three statements:

- Sociology deals with human interaction and this communication are the key influencing factor among people in social settings.
- Sociology is a study of plural behavior. Two or more interacting individuals constitute a plurality pattern of behavior
- Sociology is the systematic study of social systems:

A social system is an operational social unit that is structured to serve a purpose.

It consists of two or more persons of different status with various roles playing a part in a pattern that is sustained by a physical and cultural base.

When analyzing organizing as a social system, the following elements exist:

- People or actors
- Acts or Behavior
- Ends or Goals
- Norms, rules, or regulation controlling conduct or behavior
- Beliefs held by people as actors
- Status and status relationships
- Authority or power to influence other actors
- Role expectations, role performances, and role relationships.

Therefore, organizations are viewed by sociologies as consists of a variety of people with different roles, status, and degrees of authority.

The organization attempts to achieve certain generalized and specific objectives.

To attain some of the abstract ends such as the development of company loyalty, the organization's leaders appeal to the shared cultural base.

Social Psychology

It has been defined as the scientific investigation of how the thoughts, feelings, and behavior of individuals are influenced by the actual, imagined or implied the presence of others.

It deals with how people are affected by other individuals who are physically present or who are imagined to be present or even whose presence is implied.

In general, sociology focuses on how groups, organizations, social categories, and societies are organized, how they function, how they change.

The unit of analysis is the group as a whole rather than the individuals who compose the group.

Social Psychology deals with many of the same phenomena but seeks to explain whole individual human interaction and human cognition influences culture and is influenced by culture.

The unit of analysis is the individual within the group.

In reality, some forms of sociology are closely related to social psychology.

Social Psychologists study an enormous range of topics including conformity, persuasion, power, influence, obedience, prejudice, discrimination, stereotyping, sexism and racism, small groups, social categories, inter-group behavior, crowd behavior, social conflict, social change, decision making, etc.

Among them, the most important topics relevant to the organizational behavior field are behavioral change, attitude change, communication, group process, and group decision making.

Social psychologists making significant contributions. Social psychologists making significant contributions to measuring, understanding and improving attitudes, communication patterns in how groups can satisfy individual needs and group decision-making processes.

Anthropology

The main aim of anthropology is to acquire a better understanding of the relationship between the human being and the environment.

Adaptations to surroundings constitute culture. The manner in which people view their surroundings is a part of the culture.

Culture includes those ideas shared by groups of individuals and languages by which these ideas are communicated. In essence, culture is a system of learned behavior.

Their work on culture and environment has helped us to understand differences in fundamental values, attitudes, and behavior among people in different countries and within different organizations.

Much of our current understandings of organizational culture, environments, and differences between national cultures are the results of the work of anthropologists or those using their methodologies.

The world is the laboratory of anthropologists, and human beings must be studied in the natural habitat. Understanding the importance of studying man in natural settings over time enables one to grasp the range of anthropology.

Familiarity within some of the cultural differences of employees can lead to greater managerial objectivity and depth in the interpretation of behavior and performance.

Anthropologists contribute to study some aspects of organizational settings – similar values, comparative attitudes, cross-cultural analysis between or among the employees.

Political Sciences

Contributions of political scientists are significant to the understanding of behavior in organizations. Political scientists study the behavior of individuals and groups within a political environment. They contribute to understanding the dynamics of power centers, structuring of conflict and conflict resolution tactics, allocation of power and how people manipulate power for individual self-interest. In a business field, organizations wanted to attain supremacy in their field and indulge in politicking activities to gain maximum advantages by following certain tasks like Machiavellianism, coalition formation, malpractices, etc. The knowledge of political science can be utilized in the study the behavior of employees, executives at micro as well as macro level.

Economics

Economics contributes to organizational behavior to a great extent in designing the organizational structure. Transaction cost economics influence the organization and its structure. Transaction costs economics implies cost components to make an exchange on the market.

This transaction cost economics examines the extent to which the organization structure and size of an organization varies in response to attempts to avoid market failures through minimizing production and transaction costs within the constraints of human and environmental factors.

Costs of transactions include both costs of market transactions and internal coordination.

A transaction occurs when a good or service is transferred across a 'technologically separable barrier' Transaction costs arise for many reasons.

So we can assume that there are various types of disciplines that involve organizational behavior. They, directly and indirectly, influence the overall activities of OB.

Applications for Organizational Behavior

1. Understanding Employee Behavior
2. Types of Attitudes in the Workplace
3. List of Questions for Assessing Emotional Intelligence
4. Developing an Anti-Discrimination Workplace Policy
5. Employee Empowerment Scenarios
6. Motivational Theories & Strategies
7. Assessing Organizational Diversity
8. Effective Workplace Communication Scenarios
9. Conflict Resolution Scenario
10. choosing an Approach to Job Design

1. Understanding Employee Behavior

Gain valuable insight into employee behavior with the aid of the assessment questions in this practical application. Also, valuable strategies for analyzing the results will be discussed.

Employee Behavior

When it comes to employees, not all things are black and white. When an employee seems to slack off at work, it may not necessarily mean the employee doesn't want to work anymore. Any number of things can lead to this type of behavior. Perhaps, the employee has problems on the home front that is affecting her work. Or maybe the employee has just received some really bad news from his doctor. The problem may even come from the workplace itself. Perhaps other coworkers are bullying the employee so the employee doesn't feel capable of doing the work.

When issues arise, the ability to fully understand employee behavior is important so that misunderstandings don't result in unnecessary negative actions on either the part of the employer or the part of the employee. As for determining the root cause of issues in

understanding employee behavior, the responsibility lies mainly with supervisors and managers.

Use the following assessment questions to help understand employee behavior and get to the bottom of any issues that arise.

Assessment Questions

- Did I rely on my intuition?

Intuition is not always right and can sometimes lead to a wrong answer. An employee who always seems upset and sad to be at work may seem to not like working at the company any more based solely on intuition. But the real answer may be that the employee is having relationship issues with either their family or a significant other. Supervisors and managers should not rely purely on intuition to make decisions.

2. Types of Attitudes in the Workplace

Good and bad attitudes both have an impact on what happens in the workplace. In this practical application, use the given scenario to practice identifying the attitudes present in the person and their results.

Workplace Attitudes

Attitude is very important in the workplace. A good attitude can make for good relationships with others while a bad attitude can lead to tense or minimal relationships with others. In the workplace, employees with bad attitudes are often replaced. If the managers and owners have bad attitudes, it can sometimes lead to business failure.

In order to make the workplace a success, the ability to identify various attitudes along with their results is a good skill to have. Read the following scenario and practice identifying the attitudes the person is displaying along with how this is impacting the workplace.

3 components of attitude are;

1. Cognitive Component.
2. Affective Component.
3. Behavioral Component.

Cognitive Component

The cognitive component of attitudes refers to the beliefs, thoughts, and attributes that we would associate with an object. It is

the opinion or belief segment of an attitude. It refers to that part of attitude which is related in general knowledge of a person.

Typically these come to light in generalities or stereotypes, such as 'all babies are cute', 'smoking is harmful to health' etc.

Affective Component

Affective component is the emotional or feeling segment of an attitude. It is related to the statement which affects another person. It deals with feelings or emotions that are brought to the surface about something, such as fear or hate. Using the above example, someone might have the attitude that they love all babies because they are cute or that they hate smoking because it is harmful to health.

Behavioral Component

Behavior component of an attitude consists of a person's tendencies to behave in a particular way toward an object. It refers to that part of attitude which reflects the intention of a person in the short-run or long run.

Using the above example, the behavioral attitude maybe- 'I cannot wait to kiss the baby', or 'we better keep those smokers out of the library, etc.

Scenario

Sarah is a cashier at the local coffee drive through in a small town. The owners are very grateful to Sarah as they feel she is punctual and good with customers.

While Sarah is very pleasant with the customers, she doesn't talk much to the owners when they are around. She mistrusts business owners in general, and feels underappreciated. When she was younger, she watched her parents work hard for a company for many years, only for the company to lay them off just a few years before their retirement so the company wouldn't have to pay retirement benefits. Therefore, she gives short answers to the owners questions and avoids engaging them. What attitudes (cognitive, affective, and behavioral) is Sarah exhibiting and how is this affecting her workplace? Review these three components in Types of Attitude in the Workplace: Cognitive, Affective & Behavioral Components.

Questions

Here are some questions to think about to find what attitudes Sarah is exhibiting and how they are affecting her.

What beliefs does Sarah have about the workplace?

- These beliefs make up Sarah's cognitive component of attitude. Because Sarah has a mistrust of business owners, her cognitive attitude is that business owners are untrustworthy.

3. List of Questions for Assessing Emotional Intelligence

These questions will help you assess your emotional intelligence and the emotional intelligence of potential employees. You'll find questions on self-awareness, social awareness, self-management, and relationship management.

Questions to Assess Emotional Intelligence

These questions for assessing emotional intelligence can be used to interview potential candidates or evaluating current employees. They can also be used to self-assess your own emotional intelligence. If you find that you or your current employees are lacking in certain areas, then you can work on developing a plan for improvement.

These question to assess emotional intelligence can be used for potential employees as well as yourself

If you are assessing job candidates of current employees, you can solicit oral answers to the questions. If you are using these questions to assess your own emotional intelligence, then you can write your answers down on paper. You can perform this self-assessment anytime you feel like it or you can stick to a schedule such as every year, or every 6 months. You can compare your answers to see how you've improved.

Assessment questions are split into four sections: self-awareness, social awareness, self-management, and relationship management. Answers do not need to be overly long, but they shouldn't be too short, and they should include plenty of details.

Self-Awareness

Self-awareness is the ability to recognize yourself in a given situation. You know what is going on, how you feel about it, and what you need to do about it. These questions explore emotional self-awareness, accurate self-assessment, and self-confidence.

- Think about a time you faced an ethical dilemma, how did you feel about it, what did you do about it, and what was the result?
- Have you ever done a task that you've never done before? How did you feel, what did you do, and how did it turn out?
- What things at work make you angry and how do you handle it?
- Have you ever received a performance review? If so, did you agree or disagree with it? Why or why not?
- What do you picture yourself doing at the company?
- What are your strengths and why?
- How do you handle problems that arise at work?

Social Awareness

These questions help you figure out how socially aware you or your potential employee is. You get to figure out how empathetic you are, how aware you are of the organization, and how service oriented you are.

- You are speaking with a customer and your customer begins to tell you about what worries him or her about the product or company. How do you respond?
- How do you feel about what the company is doing in the community?
- What do think about how the company is structured?
- What's more important to you? People or results? Why?
- What are your thoughts on the current market and the future of this company?

Self-Management

The ability to manage yourself is important both for you and your potential new employee. Being able to self-manage allows everybody to continue working together instead of one person having to wait for another person before doing some work. This group of

questions covers self-control, adaptability, transparency, initiative, and achievement drive.

Relationship Management

Relationship Management is all about your interpersonal communication skills. It's all about your ability to get the best out of others ... your ability to inspire and influence them, your ability to communicate and build bonds with them, and your ability to help them change, grow, develop, and resolve conflict.

Relationship management is a strategy in which an organization maintains an ongoing level of engagement with its audience. This management can occur between a business and its customers (business to consumer [B2C]) or between a business and other businesses (business to business [B2B]).

Customers are the heartbeat of all businesses. Therefore, creating good customer relationships is crucial for business success. Through good and bad times, maintaining a healthy customer relationship with all your customers will help in sustaining the performance of your business.

Customer relationship management refers to the art of managing good customer relationships and prospective customers. It is all about understanding who your customers and potential customers are, and nurturing the relationships you have with them. It is about identifying client expectations and how you meet or go beyond their expectations.

A customer relationship model seeks to improve the relationship between a business and the customer. For this, they drive new trends and provide profits for current and future operations and investments.

Customer relationship management model can be further categorized into below stages

- **Awareness** – It is the first touchpoint where prospects try to know more about your brand as a whole.
- **Discovery** – Then you learn and identify the needs of the prospects and share information to fulfill their requirements.
- **Evaluation** – Moving ahead the prospects compare and evaluate your products/services with your competitors.

- **Intent** – Finally your prospect is convinced and made a decision of buying from you.
- **Purchase** – After making the payment the deal is done and the prospect converts into your customer.
- **Loyalty** – Make a follow-up after purchase to determine customer success with your product and ask for referrals.

4.Developing an Anti-Discrimination Workplace Policy

Discrimination, and any allegation of it, is a terrible thing for victims, for employees, for all of an organization's stakeholders. A strong anti-discrimination policy is one powerful way to protect the workplace from this significant problem.

Discrimination Hurts

Discrimination is legally defined as behavior or action that treats a person differently from a their counterparts based on their membership in a protected class. Protected classes always include characteristics like race, ethnicity, age, religion, or gender. In many jurisdictions, sexual orientation is also a protected class.

An organization's anti-discrimination policies are its first line of defense against both intentional and unintentional discrimination. Let's look at a scenario and consider an example anti-discrimination policy.

Unintentional Discrimination

Jill had worked as a courier for just over a year. She was one of three full-time employees responsible for being on-call for urgent deliveries. In the last three months, both her other co-workers (who were males) had missed an assignment while on call. Neither received formal discipline. One day, Jill did not hear her phone ring, and (like her co-workers) missed an assignment. On her next full day of work, Jill was terminated for her failure to respond to the call.

Jill appealed her termination in accordance with the company's policy. Her argument was that she was the victim of gender discrimination. In supporting her claim, she cited the following:

1. I was guilty of the same infraction as two similarly-situated male colleagues. The males were not disciplined for the same offense.

2. The employer has a progressive discipline policy, but I was not granted the due process it guarantees while other male counterparts have, in fact, received the benefit of due process.
3. With no other disciplinary history with the company, it is clear that the penalty applied was applied in an unequal manner.

Probing Questions

Now consider a few important questions about this scenario.

- Does Jill have a *prima facie* case? (If true, would the facts Jill has alleged constitute unlawful discrimination?)
- What, if anything, does Jill allege that allows her claim to pass the *prima facie* hurdle?
- If Jill's company agrees with her factual assertions, are they admitting guilt? Why or why not?

Thoughtful Answers

Based on the definitions from the lesson What is Discrimination, Jill has met her legal burden to proceed with her claim. She has made the factual allegations that, if true, do meet the definition of the unequal treatment of similarly-situated coworkers.

Accepting Jill's factual assertions does *not* constitute an admission of guilt. This is because Jill's employer could argue a number of compelling rebuttals including:

- Jill's conduct was, in fact, not the same conduct as the male colleagues she refers to (i.e. something made her situation and disciplinary action substantially different from others).
- Jill was not similarly-situated as she claims (i.e. Jill was a supervisor when the male counterparts were not in a supervisory role).

Creating a Solid Non-Discrimination Policy

Because equal treatment is the goal of anti-discrimination laws, a solid anti-discrimination policy will focus on producing consistent outcomes in similar situations. It will also contain language that allows the co

5.Employee Empowerment Scenarios

Empowered employees are happy and productive employees. Here, you'll find three hypothetical scenarios where you need to write down your plan for empowering a struggling employee.

Empowering Others

The team leaders and managers it is their role to **empower** their employees. That means giving workers the tools and resources they need to adapt to workplace situations and be successful. Empowered employees can make your workplace more desirable, leading to happier employees and a more profitable business.

Scenario #1

You're the leader of a productive, diverse team of sales professionals at your company. Your team members are consistently among the highest-performing in the company and as such, they can be intimidating to new team members. Two weeks ago, a successful sales professional from another team was moved to your unit because management thought the move would be a good fit, but it appears the new member is having difficulty getting adjusted.

Practical Application

Lay out a plan for empowering your team to work together again and increase productivity.

Write down your answers to the following questions:

1. What tools or resources are needed to excel in this new team?
2. What are this employee's strengths and weaknesses?
3. Is there something standing in this employee's way? If so, what is it and how can it be resolved?
4. What will success look like for this individual?
5. How can the rest of the team support this employee's transition?

6.Motivational Theories & Strategies Info graphic

Motivation is a key driver for employee achievement. But what drives motivation and what can managers do to increase motivation in team members? This infographic will take you through theories and strategies for motivating teams.

This infographic includes a brief overview of motivational theories, including the difference in extrinsic and intrinsic motivation, and strategies associated with workplace motivation.

Intrinsic – The motivation created from and within yourself.

Eg:-Many hobbies, like working puzzles, playing sports or watching movies, provide intrinsic motivation.

Extrinsic – The motivation created from outside.

Eg:- Extrinsic rewards usually involve money, acknowledgment or other types of compensation

Motivation Theories & Strategies

How do managers motivate their teams? What types of motivation work best for workers?

These questions can be answered by looking at various theories of motivation. There are many lessons that explain motivational theories and strategies in detail. A few that you might want to check out include:

1. Maslow's hierarchy of needs

Abraham Maslow postulated that a person will be motivated when his needs are fulfilled. The need starts from the lowest level basic needs and keeps moving up as a lower level need is fulfilled. Below is the hierarchy of needs:

- **Physiological:** Physical survival necessities such as food, water, and shelter.
- **Safety:** Protection from threats, deprivation, and other dangers.
- **Social (belongingness and love):** The need for association, affiliation, friendship, and so on.
- **Self-esteem:** The need for respect and recognition.
- **Self-actualization:** The opportunity for personal development, learning, and fun/creative/challenging work. Self-actualization

is the highest level need to which a human being can aspire.

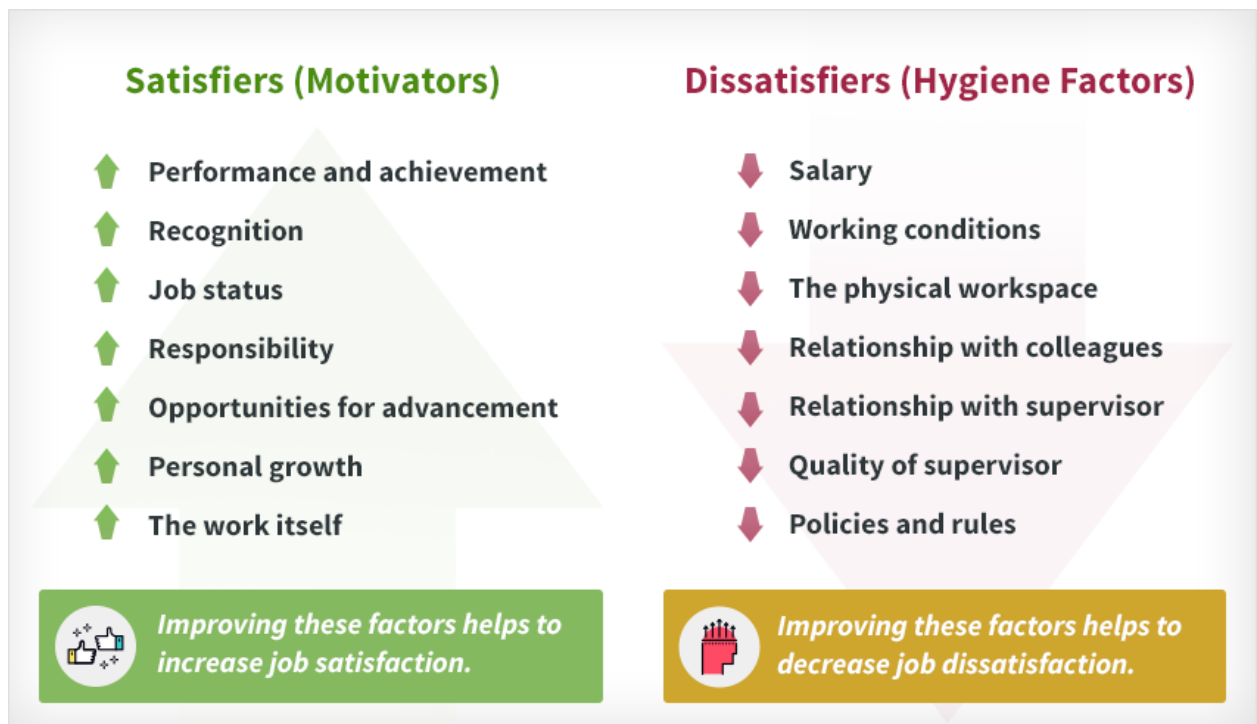


The leader will have to understand the specific need of every individual in the team and accordingly work to help fulfil their needs.

2. Hertzberg's two factor theory

Hertzberg's two factor theory :

- Hertzberg classified the needs into two broad categories namely hygiene factors and motivating factors.
- Hygiene factors are needed to make sure that an employee is not dissatisfied.
- Motivation factors are needed for ensuring employee's satisfaction



3. McClelland's theory of needs

McClelland affirms that we all have three motivating drivers, and it does not depend on our gender or age. One of these drives will be dominant in our behaviour. The dominant drive depends on our life experiences.

The three motivators are:

- **Achievement:** a need to accomplish and demonstrate own competence . They also prefer quick acknowledgement of their progress.
- **Affiliation:** a need for love, belonging and social acceptance People with a high need for affiliation are motivated by being liked and accepted by others.
- **Power:** a need for control own work or the work of others.

7. Assessing Organizational Diversity

A diverse organization provides the expertise that only people from a varied background can bring. This assessment help you see where your organization stands in terms of organizational diversity.

Organizational Diversity Assessment

How is your company doing in the area of organizational diversity? Take a look at this assessment to find out. It's divided into different

sections for each type of diversity. Read each question and answer with a yes or no, then tally the answers up to see where your organization stands.

Cultural Diversity

Cultural diversity is about the various cultures that make up your workforce. A culturally diverse workforce consists of people with varied belief systems and backgrounds. For example, employees may be racially, ethnically, or linguistically diverse. They may have different religious or political beliefs or come from different socioeconomic backgrounds. The more cultures you have, the more opportunity to gain from the talents of various cultures.

Question	Yes or No
Are there more than three different cultures in the organization?	
Does my organization use inclusive job ads and recruiting practices to give all cultures an equal opportunity?	
Are all the cultures in the organization given the same treatment and pay scale?	

Gender Diversity

Gender diversity is important, particularly in fields or organizations typically dominated by men or women. The most diverse organizations not only have an equal number of men and women, they also recruit and hire employees with non-binary gender identities, such as agender, bigender, and genderfluid individuals.

Gender diversity is also about treating men and women with the same level of respect. This respect shows in the pay scale for each. Some companies tend to pay women lower than men. But gender diversity says that men and women work equally hard and both should be given the same pay for the same job.

Question	Yes or No

Are men, women, and non-binary individuals given the same opportunity to get hired or promoted?	
Do both men, women, and non-binary individuals at the organization feel as if they are treated equally?	
Is the payscale the same for men, women, and non-binary individuals in the organization?	

Age Diversity

Age diversity is also important in the workplace as the different ages bring in different skills. The most diverse organizations hire people from different generations. They employ young people, older people, and everyone in between.

Question	Yes or No
Are there several generations of workers at the organization?	
Is each age group given the same opportunities to grow individually and professionally?	
Does each age group feel as if they are treated equally by management and other employees?	

Disability Diversity

Disability diversity is about recruiting and hiring workers with impairments in addition to enabled workers. Impairments include physical impairments, such as cerebral palsy or visual impairments, or mental impairments, such as learning or intellectual disabilities.

8.Effective Workplace Communication Scenarios

Working with others requires engaging in effective communication. But how can leaders make sure their communication is effective? These scenarios will help you hone your communication skills and use the five elements of effective communication.

Effective Workplace Communication

Working with others requires strong communication skills. To effectively communicate with others, leaders should employ the five elements of effective communication.

- Concise - summarizing
- Clear-understanding
- Practical-simple n easy language
- Factual-email/letter
- Persuasive-influence other

Effective Communication

Have you ever had a boss who did not communicate effectively? Maybe your boss rambled on and on and never got to the point? Or perhaps they left confusing or misleading directions for you on how to carry out a work project?

Scenarios

For the scenarios below, think about the best way to communicate. Keep in mind the five elements of effective workplace communication. After the scenarios, take a moment to reflect on how to make your communication even better.

Scenario

- Jimi manages a large team that is in charge of testing consumer goods for safety issues. While everyone on his team is very good at his or her job, the team as a whole doesn't work well together. Jimi estimates that they spend almost 50% more time on each test due to problems with team cohesion and communication. As a result, Jimi wants to get his team to work better together.
- Jimi has a plan. He wants to take his team on a team-building three-day retreat. It will require both money from the company to pay for it and also permission for everyone to be away from the office for those three days.

Analysis:

- Simon did not confront Jimmy about using loopholes to get out of work.
- Simon watched Jimmy be late often before he finally reminded him of the tardy policy at work.

- Simon did eventually speak to Jimmy about the tardy policy.
- Simon then watched Jimmy come in late for several days in a row, after this reminder. He said nothing else to Jimmy or a supervisor.
- Simon refuses to speak to Jimmy anymore.

Resolution Example

- Interpersonal conflicts arise due to contrasting ethics, beliefs and values.
- At this stage, the difference in opinions must be discussed openly to come to a solution.
- In Simon and Jimmy should sit together and share their thoughts and concerns.
- Simon is concerned about Jimmy's job and wants to ensure that he doesn't get fired for not following the company's policy.
- Simon needs to allow Jimmy to share his reasons for coming late to work quite often. Both men should speak with respect and not out of anger.
- If a resolution is not possible between them, Simon should report Jimmy's behavior to their supervisor. He should include the tension between the two men and seek future actions to reduce it.
- How can Mike better use communication to resolve this issue? What should he say or not say?
- At what point should Mike resort to going to a manager?

9.Conflict Resolution Scenario

- Are you dealing with workplace conflict? Are you frustrated with the lack of resolution? This activity provides insight into

various workplace conflict scenarios and how to resolve those conflicts using leadership and communication skills.

Workplace Conflict

- In any organization, **conflicts**, meaning clashes or problems or even fights in this context, can arise between co-workers, subordinates, managers or between employees and stakeholders. Conflicts result in poor productivity, attrition or even violence at a workplace. Resolving a conflict on a timely basis is the key management responsibility.
- The following scenarios show three common workplace conflicts. For each, complete the analysis activity after reading the scenario. Only then should you read the resolution examples.
- Simon works as an engineer in a software engg and loves his job very much. He is hardworking and always on time at work. His co-worker Jimmy often comes late to work and tries to find loopholes, so he can do the least amount of work. Both work on the same project and report to the same supervisor. The company has a policy that if an employee comes late to work, he has to meet with his supervisor before starting work. One day Jimmy came in 40 minutes late to work. Out of concern, Simon reminded Jimmy about the company policy, stressing he should meet his supervisor. Jimmy got angry and told Simon that their supervisor will never know he was late. Jimmy continues to come late for the next few days. Upset with Jimmy's behavior, Simon decides not to talk to him. This is an interpersonal conflict between these co-workers

Analysis:

- Simon did not confront Jimmy about using loopholes to get out of work.
- Simon watched Jimmy be late often before he finally reminded him of the tardy policy at work.
- Simon did eventually speak to Jimmy about the tardy policy.
- Simon then watched Jimmy come in late for several days in a row, after this reminder. He said nothing else to Jimmy or a supervisor.

- Simon refuses to speak to Jimmy anymore.

Resolution Example

- Interpersonal conflicts arise due to contrasting ethics, beliefs and values.
- At this stage, the difference in opinions must be discussed openly to come to a solution.
- **Solution**
- In Simon and Jimmy should sit together and share their thoughts and concerns.
- Simon is concerned about Jimmy's job and wants to ensure that he doesn't get fired for not following the company's policy.
- Simon needs to allow Jimmy to share his reasons for coming late to work quite often. Both men should speak with respect and not out of anger.
- If a resolution is not possible between them, Simon should report Jimmy's behavior to their supervisor. He should include the tension between the two men and seek future actions to reduce it.

10.Choosing an Approach to Job Design

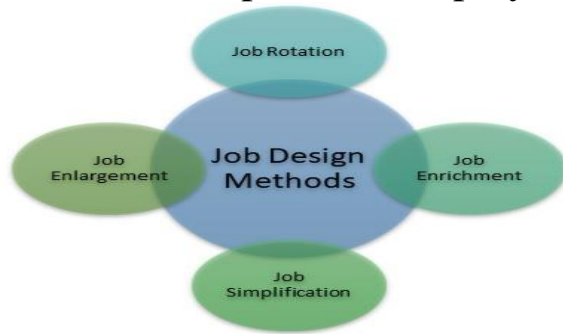
Successful employee-employer relationships begin with the right job design. Choose the best approach to job design from four different approaches. The right approach will lead to success.

Job Design

When a company uses the right approach to job design and writes the right job description for the right future employee, a successful and positive employee-employer relationship often results

The lesson Job Design: Definition and Purpose mentions four different approaches to job design. Let's review them now:

A correctly defined job design will attract the right applicants and decrease job turnover by helping everyone understand their responsibilities up front. This lesson explores four approaches that companies can use to create a job design and communicate job tasks to current and potential employees.



Approach	Description
Scientific Management	Uses specific explanations to detail repetitive job tasks
Job Enlargement/Job Rotation	Gives employees opportunities to do other tasks and responsibilities
Job Enrichment	Employees get to train for promotions by taking on vertical job challenges
Job Characteristic Theory	An employee's personality and behavior are fitted to a job

This does not mean that a company has to choose just one approach for all its jobs. Successful companies know that various jobs can have different approaches to its job design. Some jobs are better suited for the scientific management approach, other to the characteristic theory approach. No one approach is better than another.

Open-Ended Question

Let's practice choosing the right approach for a particular job by answering this one question:

- Considering the type of work to be done in the job, which approach to job design will fit the best?

Scenarios

Think about these imaginary examples while answering the above question.

- 1) Hat Manufacturing Company specializes in making hats of all kinds. The company has an opening for a finishing sewer who needs to do nothing else but sew the hat pieces together.
- 2) Hat Manufacturing Company is also looking to hire a future manager when the current manager retires. The company would like to hire from people who actually make the hats as they have personal experience with the hats.

UNIT-2

Individual Behavior

Individual behavior can be defined as a mix of responses to external and internal stimuli. It is the way a person reacts in different situations and the way someone expresses different emotions like anger, happiness, love, etc.

To get a brief idea about the individual behavior let us learn about the individual behavior framework and other key elements related to it.

Individual Behavior Framework

On the basis of these elements, psychologist Kurt Lewin stated the Field theory and outlined the behavior framework. This psychological theory studies the patterns of interaction between an individual and the environment. The theory is expressed using the formula

$$\mathbf{B = F(P,E)}$$

where,

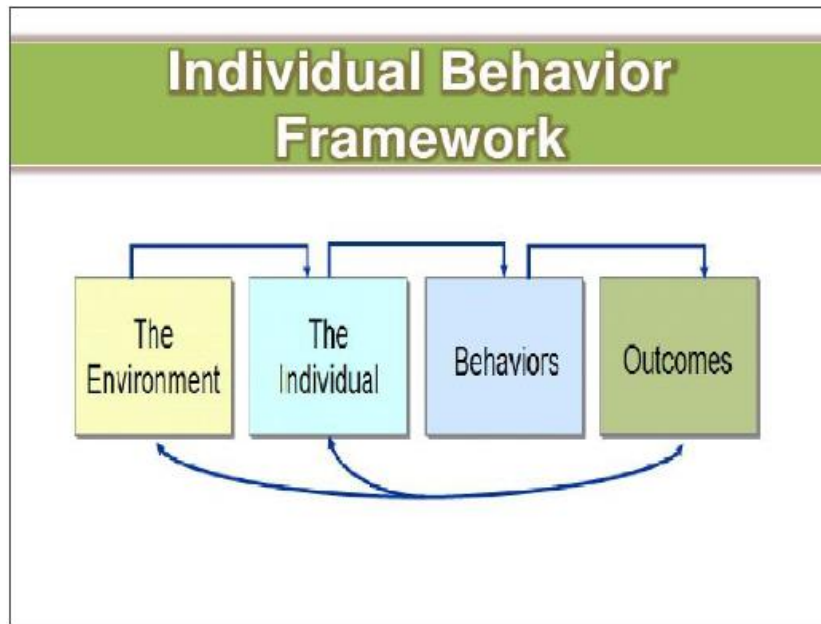
B – Behavior,

F - Behavior Function,

P – Person, and

E - Environment around the person.

Say for example, a well payed person who loses his job in recession may behave differently when unemployed.



Top 3 Factors Affecting Individual Behaviour

Some of the factors affecting Individual Behavior in an organization are as follows:

I. Personal Factors:

The personal factors which influence the individual behaviour can be classified into two categories:

A. Biographic Characteristics

B. Learned Characteristics

A. Biographical Characteristics:

All the human beings have certain characteristics which are genetic in nature and are inherited. These are the qualities which the

human beings are born with. These are the characteristics which cannot be changed; at the most, these can be refined to some extent. If the managers know about the inherited qualities and limitations of the persons, they can use their organisational behaviour techniques more effectively.

All these characteristics are explained in detail as follows::

1. Physical Characteristics:

Some of these characteristics are related to height, skin, complexion, vision, shape and size of nose, weight etc. All these have an impact on the performance of the individuals. It is sometimes said that the eyes betray the character of a person. Similarly certain ideas about the behaviour can be formed on the basis of whether the person is fat, tall or slim.

Tall and slim people are expected to dress well and behave in a sophisticated manner and fat people are supposed to be of a jolly nature. Whether there is a correlation between body structure and behaviour or not has not been scientifically proven. Even if there is a correlation between these two, it is very difficult to understand which the independent variable is and which is dependent variable.

2. Age:

Age is considered to be an inherited characteristic because it is determined by the date of birth. The relationship between age and job performance is an issue of increasing performance. Psychologically, younger people are expected to be more energetic,

innovative, adventurous, ambitious and risk taking. Whereas old people are supposed to be conservative, set in their own ways and less adaptable. Though it is incorrect to generalize all old people as unadoptable, physiologically, performance depends on age.

Performance declines with advancement of age because older people have less stamina, memory etc. Younger people are likely to change jobs to avail better job opportunities, but as one grows old, the chances of his quitting job are less. There is a relationship between age and absenteeism also. Older people tend to absent more from their jobs due to unavoidable reasons e.g. poor health.

Whereas younger people absent themselves from job due to avoidable reasons e.g. going for a vacation. In the organizations which are subject to dramatic changes due to latest innovations, the older people get less job satisfaction as they start feeling obsolete as compared to their younger colleagues. Though there is no clear cut demarcation between young age and old age but according to Lehman the peak of creative ability is among people between the ages 30 and 40.

3. Gender:

Being a male or female is genetic in nature and it is considered to be an inherited feature. Whether women perform as well as in jobs as men do, is an issue which has initiated lot of debates, misconceptions and opinions. The traditional view was that man is tougher than woman or women are highly emotional than men. But these are some stereotyped baseless assumptions. Research has proved that

there are few if any, important differences between man and woman that will affect their job performance.

Specially, in some are like problem solving ability, analytical skill, competitive drive, motivation, leadership, sociability and learning ability, there are no consistent male-female differences. Initially, some roles were considered to be exclusive domain of women e.g. nurses, airhostesses etc. but now with the passage of time, we have males in these professions also. Similarly, some jobs which were considered to be exclusive domain of men e.g. pilots, defence jobs, etc. have started accommodating women also, though with some conditions.

Gender has its impact on absenteeism. The tendency to abstain from work is more in females than in men, because historically, our society has placed home and family responsibilities on the females. When a child is ill, or the house is being white washed or some unexpected guests turn up, it is the female who has to take leave.

The turnover is also more in female employees, though the evidence is mixed in this case. Some studies have found that females have high turnover rates, while the others do not find any difference. The reasons for high turnover can be that sometimes the females have to quit their jobs or change into part time jobs to look after the children and their homes.

Sometimes they have to quit their jobs if their husbands get transferred to some other place and the females' job is non-transferable. Although this trend is changing with the passage of time, but majority of the Indian families still follow these norms.

4. Religion:

Though there are no scientific studies to prove it and we cannot generalize it, but religion and religion based cultures play an important role in determining some aspects of individual behaviour, especially those aspects which concern morals, ethics and a code of conduct. The religion and culture also determine attitudes towards work and towards financial incentives.

People who are highly religious are supposed to have high moral values e.g. they are honest, they do not tell lies or talk ill of others, they are supposed to be contented. But there is another side of the picture also. Though there are no evidences but it has been observed that sometimes people who are highly dishonest and immoral are more religious as compared to the others.

5. Marital Status:

There are not enough studies to draw any conclusion as to whether there is any relationship between marital status and job performance. Research has consistently indicated that as marriage imposes increased responsibilities, to have a steady job becomes more valuable and important. Married employees have fewer absences, less turnover and more job satisfaction as compared to unmarried workers. But no research has so far identified the causes for this.

Moreover, there are a few other questions which need answers e.g.:

(i) What will be the effect of divorce or death of the life partner on the performance of an employee?

(ii) What about couples who live together without getting married. So far there are no answers to these questions.

6. Experience:

The next biographical characteristic is tenure or experience. The impact of seniority on job performance is an issue which is subject to a lot of misconceptions and speculations. Work experience is considered to be a good indicator of employee productivity. Research indicates that there is a positive relationship between seniority and job performance. Moreover studies also indicate a negative relationship between seniority and absenteeism.

Employee turnover is also considered to be negatively related to seniority. But in considering this relationship, past experience i.e. experience of the employee on the previous job is also to be considered. Research indicates that experience and satisfaction are positively related. Here we have to distinguish between chronological age and seniority of the employee. Seniority experience is a better indicator of job satisfaction than the chronological age of the person.

7. Intelligence:

Generally, it is considered that intelligence is an inherited quality. Some people are born intelligent or in other words intelligent parents produce intelligent children. But practical experience has shown

that sometimes very intelligent parents have less intelligent children and sometimes average parents have very intelligent children.

Moreover intelligence can be enhanced with efforts, hard work, proper environment and motivation. Anyway, whether it is an inherited trait or acquired trait this factor affects the behaviour of the people. Intelligent people are generally not adamant and stubborn, rather they are considered to be stable and predictable.

8. Ability:

Abilities are the traits a person learns from the environment around as well as the traits a person is gifted with by birth. These traits are broadly classified as –

- Intellectual abilities
- Physical abilities
- Self-awareness abilities

In order to understand how these affect a person's behavior, we need to know what these abilities are.

- **Intellectual abilities** – It personifies a person's intelligence, verbal and analytical reasoning abilities, memory as well as verbal comprehension.
- **Physical abilities** – It personifies a person's physical strength, stamina, body coordination as well as motor skills.
- **Self-awareness abilities** – It symbolizes how a person feels about the task, while a manager's perception of his abilities decides the kind of work that needs to be allotted to an individual.

Thus the psychological, physical, self-assurance traits owned by a person defines the behavior of a person in social and personal life. For

ex: Ram has a high IQ level, whereas Rahul can lift a bike and is a strong guy.

B. Learned Characteristics:

Learning is defined as, “a relatively permanent change in behaviour resulting from interactions with the environment.” A person is born with biographical characteristics which are difficult to change or modify. Therefore, the managers lay much stress on studying, learning and predicting the learned characteristics.

Some of these learned characteristics are as follows:

1. Personality:

By personality we don't mean the physical appearance of a person. Psychologists are not concerned with a smart person, with a smiling face and a charming personality. They consider personality as a dynamic concept describing the growth and development of a person's whole psychological system. Rather than looking at parts of the person, personality looks at some aggregate whole that is greater than the sum of the parts.

Personality generally refers to personal traits such as dominance, aggressiveness, persistence and other qualities reflected through a person's behaviour. Some personality traits like physical built and intelligence are biological in nature but most traits like patience, open mindedness, extrovertness etc. can be learned.

An individual's personality determines the types of activities that he or she is suited for. According to Tedeschi and

Lindsfold, people who are open minded seem to work out better in bargaining agreements than people who are narrow minded. Similarly people who are extroverts and outgoing are more likely to be successful as managers than those who are introverts.

2. Perception:

Perception is an intellectual process of transforming sensory stimuli into meaningful information. It is the process of interpreting something that we see or hear in our mind and use it later to judge and give a verdict on a situation, person, group, etc.

It can be divided into six types namely –

- **Of sound** – The ability to receive sound by identifying vibrations.
- **Of speech** – The competence of interpreting and understanding the sounds of language heard.
- **Touch** – Identifying objects through patterns of its surface by touching it.
- **Taste** – The ability to detect flavor of substances by tasting it through sensory organs known as taste buds.
- **Other senses** – Other senses include balance, acceleration, pain, time, sensation felt in throat and lungs etc.
- **Of the social world** – It permits people to understand other individuals and groups of their social world.

For example – Priya goes to a restaurant and likes their customer service, so she will perceive that it is a good place to hang out and will recommend it to her friends, who may or may not like it. However, Priya's perception about the restaurant remains good.

3. Attitude:

Attitude is just like perception but with a frame of reference. It is a tendency to act in a certain way, either favorably or unfavorably concerning objects, people or events. For example, if I say I am satisfied with my job, I am expressing my attitude towards work. An attitude may be defined as the way a person feels about something, a person, a place, a thing, a situation or an idea. It expresses an individual's positive or negative feeling about some object. An attitude may be unconsciously held. Most of our attitudes are such about which we are not aware; QNE most common of this is prejudice.

A person's attitude towards a given situation can be ascertained by measuring and understanding his feelings, thoughts and behaviours. When we directly ask questions from the individuals, we can measure his feelings and thoughts. Behaviour can be measured either by observing the actions of the individual or simply by asking him questions about how he would behave in a particular situation.

In general, if a person has positive attitude about his work it will be reflected by very good work performance, less absenteeism, less turnover, obedience towards rule or authority etc. If a person has got negative attitude towards his work, he will act in exactly the opposite way. The negative attitude can be changed by simple persuasion or by training and coaching.

4. Values:

According to Milton Rokeach, “Values are global beliefs that guide actions and judgements across a variety of situations. Values represent basic convictions that a specific mode of conduct is personally or socially preferable to an opposite mode of conduct.” Values carry an individual’s ideas as to what is right, good or desirable. All of us have a hierarchy of values that form our value system. This system is identified by the relative importance we assign to some values like freedom, self respect, honesty, obedience, equality and so on.

Values are so closely embedded in the people that these can be observed from their behaviour. Individual values are influenced by the parents, teachers, friends and other external forces. A person’s values also develop as a product of learning and experience in the cultural setting in which he lives. Values vary from person to person because every person learns in a different way and have different types of experience.

Values are very important in the study of organisational behaviour because these help in understanding the attitudes and motivation of individuals as well as influencing their perceptions. Values determine what is right and what is wrong, where right or wrong is interpreted in terms of perceived values of the decision maker. Values sometimes overpower even objectivity and rationality. The value system can significantly influence the manager’s outlook and behaviour.

Environmental Factors:

The external environment is known to have a considerable impact on a person's behaviour.

A brief description of the external factors follows:

1. Economic Factors.

The behaviour of an individual is affected to a large extent by the economic environment.

A few economic factors which directly or indirectly affect the individual behaviour are as explained below:

(a) Employment Level:

The employment opportunities which are available to the individuals go a long way in influencing the individual behaviour. If the job opportunities are less, the individual will have to stick to a particular organisation even though he does not have job satisfaction. He may or may not 'be loyal to the management but he will remain in the organisation for monetary benefits only. On the other hand if the job opportunities are more, the employees' turnover will be more. They will continue changing their jobs till they find the ideal job, which gives them maximum satisfaction, monetary as well as psychological.

(b) Wage Rates:

The major consideration of every employee who is working in the organisation is his wages. Though job satisfaction is very important, but what a person will get in money terms, is the major factor affecting the

decision of a worker to stay in a particular organization or shift to another one which will pay more wages.

(c) General Economic Environment:

Some employees who are working in Government offices or public sector undertakings are not affected by economic cycles. Whatever the economic position of the organisation, they will receive their salaries. Whereas, the employees, who work in the organisations, which are severely affected by economic cycles are subjected to layoffs and retrenchment. For these employees job security and a stable income is the most important factor whereas the former employees will be motivated by some other factors.

(d) Technological Development:

Though technology is not an economic factor, but we include it in the economic factors because of the impact it has on the individual job opportunities. The technological development has made the job more intellectual and upgraded. Some workers will be dislocated unless they are well equipped to work on new machines. This makes it the duty of management to retrain the employees. For those, who pickup and acquaint themselves with new technology, the jobs will be rewarding and challenging.

2. Socio-cultural Factors:

The social environment of an individual includes his relationship with family members, friends, colleagues, supervisors and subordinates. The behaviour of other people not with the individual, but

in general, is also a part of his social environment. Similarly, every individual has a cultural background, which shapes his values and beliefs. Work ethics achievement need, effort-reward expectations and values are important cultural factors having impact on the individual behaviour.

3. Political Factors

Political environment of the country will affect the individual behaviour not directly, but through several other factors. In a politically stable country there will be a steady level of employment (both in quantity and quality) and high level of capital investment. Whereas companies are reluctant to invest large sums of money in a politically instable country.

The political ideology of a country affects the individual behaviour through the relative freedom available to its citizens. A country can have a controlled society or less controlled society. The relative freedom available to the individuals can affect their career choice, job design and performance.

4. Legal Environment.

Rules and laws are formalized and written standards of behaviour. Both rules and laws are strictly enforced by the legal system. Laws relate to all the members of the society e.g. Murder is a crime which is illegal and punishable by law and applies to all the people within the system. Observing the laws voluntarily allows for predictability of individual behaviour.

III. Organisational Factors:

Individual behaviour is influenced by a wide variety of organisational systems and resources.

These organisational factors are as explained below:

1. Physical Facilities:

The physical environment at a work place is the arrangement of people and things so that it has a positive influence on people. Some of the factors which influence individual behaviour are noise level, heat, light, ventilation, cleanliness, nature of job, office furnishing, number of people working at a given place etc.

2. Organisation Structure and Design:

These are concerned with the way in which different departments in the organisation are set up. What is the reporting system? How are the lines of communication established among different levels in the organisation. The behaviour and performance of the individual is influenced by where that person fits into the organisational hierarchy.

3. Leadership:

The system of leadership is established by the management to provide direction, assistance, advice and coaching to individuals. The human behaviour is influenced to a large extent by the behaviour of the superiors or leaders. Behaviour of the leaders is more important than their qualities.

4. Reward System:

The behaviour and performance of the individuals is also influenced by the reward system established by the organisation to compensate their employees.

PESONALITY

The word personality is derived from a Greek word “*persona*” which means “to speak through.” Personality is the combination of characteristics or qualities that forms a person’s unique identity. It signifies the role which a person plays in public. Every individual has a unique, personal and major determinant of his behavior that defines his/her personality.

Personality trait is basically influenced by two major features –

- Inherited characteristics
- Learned characteristics

Types of Personality

The traits we use to find out the careers and college majors we should opt for, and will fit us the best is known as occupational personality traits. Personality can be further classified on the basis of an individual’s occupation and vocational options. John Holland grouped these features into six personality types –

- **Realistic Personality** – These types of individuals have a realistic personality. They are shy in nature, stable, and practical. They belong to professions like agriculture, engineering, fashion designing, etc.

- **Investigative Personality** – These types of individuals are analytical, curious, and have an independent mindset. They belong to professions like writing, teaching, medicine, etc.
- **Artistic Personality** – These types of individuals have great imagination and are idealistic. They belong to professions like fine arts, music, photography, etc.
- **Social Personality** – These types of individuals are sociable, helpful and cooperative in nature. They belong to professions like teaching, social work, counseling, etc.
- **Enterprising Personality** – These types of individuals are ambitious, adventurous and energetic. They belong to professions like business, journalism, consultancy, etc.
- **Conventional Personality** – These types of individuals are practical, organized, and logical. They belong to professions like training, nursing, finance, etc.

Most people fall into anyone of these six personality types.

People sharing the same personality type and working together create a work environment that fits their type. For example, when enterprising persons are together on a job, they create a work environment that rewards enthusiastic and innovative thinking and behavior -- an enterprising environment.

People opt for such environments where they can use their skills and abilities, and freely express their values and attitudes. For example, Realistic types search for stable work environment; Artistic types look for Artistic environment, and so forth.

People who work in an environment similar to their personality type are more likely to be successful and satisfied with their job. For example, artistic persons are more likely to be successful and satisfied if they choose a job that has an artistic environment, like choosing to be a music teacher in a music school -- an environment "dominated" by

artistic people where innovative abilities and expression are highly valued.



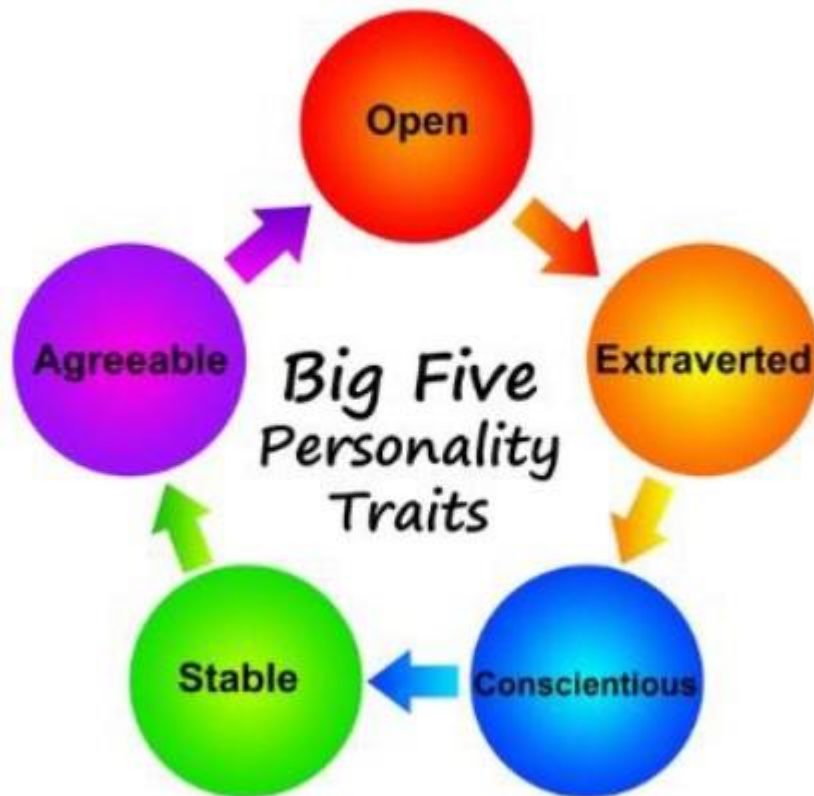
Understanding the theory and using it efficiently, aligns our core personality traits to fields that nurture who we are, who we want to be, by offering a rewarding path towards professional and personal growth.

The big five personality model identifies five types of personalities and every individual falls into at least one of these types.

Traits of Personality

Personality traits are the enduring features that define an individual's behavior. A personality trait is a unique feature in an individual. Psychologists resolved that there are five major personality traits and every individual can be categorized into at least one of them. These five personality traits are –

- Extrovert
- Neurotic
- Open
- Agreeable
- Conscientious



Openness to Experience

Openness flashes the level of intellectual curiosity, creativity and a preference for novelty and variety within a person. It can also be elaborated as the scope to which an individual is imaginative or independent, and portrays a personal preference for a variety of activities over a scheduled routine.

Some debate may occur regarding how to interpret the openness factor, which is also known as "intellect" rather than openness to experience.

It includes inventiveness or curiousness in contrast to consistency or cautiousness. Appreciation for positive arts, emotions, inventions, adventure, unusual ideas, curiosity, and variety of experience is invited.

It is basically the extent to which an individual is original, has immense interests, and willingly takes risk.

Conscientiousness

It is the tendency of being standardized, steady, self-disciplined, acting dutifully, focusing on achieving goals, and prioritizing planned instead of spontaneous behavior. It contrasts efficient or organized behavior with easy-going or careless behavior.

It is the level to which a person is careful, cautious, and honest.

Extraversion

Positive energy, positive emotions, confidence, sociability and the tendency to explore stimulation in the organization with others, and talkativeness is extraversion. It contradicts outgoing or energetic behavior with solitary or reserved behavior.

Experiencing positive emotional states and feeling good about oneself and the world around one is extraversion.

Agreeableness

Agreeableness is the tendency of being compassionate and cooperative instead of suspicious and antagonistic towards each other. It is a method of measuring one's trusting and helpful nature, and whether a person has a bad temper or not.

It distinguishes friendliness or compassionate with analytical or detached nature. In simple words, it is the tendency to get along well with others.

Emotional Stability

It contradicts sensitive or nervous nature with secure or confident one. Being bias towards experiencing unpleasant emotions easily, like anger, anxiety, depression, negativity and vulnerability. Neuroticism credits the degree of emotional stability and impulse control, and is frequently known by its low pole, emotional stability.

The tendency to sense negative emotional states and see oneself and the world around one negatively.

Major Personality Attributes

Locus of Control

Locus of control is the center of control of an individual's code of conduct. People can be grouped into two categories i.e. internal and externals respectively.

People who consider themselves as the masters of their own fate are known as internals, while those who affirm that their lives are controlled by outside forces are known as externals.

Before making any decision, internals actively search for information, they are achievement driven, and want to command their environment. So, internals do well on jobs that craves complex information processing, demands taking initiative and independent action.

Externals, on the other hand, are more compliant, more willing to follow instructions, so, they do well in structured, routine jobs.

Machiavellianism

Machiavellianism is being practical, emotionally distant, and believing that ends justify means. Machiavellians are always wanting to win and are great persuaders. Here are the significant features of a high-mach individuals –

- High-Machs prefer precise interactions rather than beating about the bush.
- High-Machs tend to improvise; they do not necessarily abide by rules and regulations all the time.

- High-machs get distracted by emotional details that are irrelevant to the outcome of a project.

Self-Esteem

It is the extent up to which people either like or dislike themselves. Self-esteem is directly related to the expectations of success and on-the-job satisfaction.

Individuals with high self-esteem think that they have what it takes to succeed. So, they take more challenges while selecting a job.

While individuals with low self-esteem are more susceptible to external distractions. So, they are more likely to seek the approval of others and to adapt the beliefs and behaviors of those they respect.

Self-Monitoring

Self-monitoring is the capability of regulating one's behavior according to social situations.

Individuals with high self-monitoring skills easily adjust their behavior according to external, situational factors. Their impulsive talents allow them to present public personae which is completely different from their private personalities.

However, people with low self-monitoring skills cannot cover themselves. Regardless of any situation, they are always themselves. They have an attitude of, "what you see is what you get."

Risk Taking

Generally, managers are reluctant on taking risks. However, individual risk-taking inclination affects the bulk of information required by the managers and how long it takes them to make decisions.

Thus, it is very important to recognize these differences and align risk-taking propensity with precise job demands that can make sense.

Theories of Personality

A theory is a simple model of reality that helps us understand, explain, predict and deal with reality. We have some theories that explain an individual's personality.

Sigmund Freud's Psychoanalytic Theory

This theory is based on the belief that man is encouraged more by unforeseen forces than the conscious and logical thought. Freud believed that most of the things in life are not present at the conscious level but they are present at an unconscious level.

The features of Freud's theory include three attributes – Id, Ego, and Superego.

- **Id** – It defines the innate component of personality. It is the impulsive and unconscious part of mind that seeks immediate satisfaction. **Example** – A hungry baby cries till he/she is fed.
- **Ego** – It is derived from Id and assists in dealing with the external world. It also helps in translating the inner needs into expressions. It deals with practical and rational thinking process. **Example** – We have a fight with our friend and expect the friend to talk first, even though both of us want to talk.
- **Superego** – It is different from ego and is partially unconscious. It includes the traditional values of society as interpreted by our parents. It also helps in the integral vision of punishment. **Example** – Ram came late today so he is grounded for a week.

Erikson's Theory

This theory states that personality is groomed throughout lifetime. He presents eight distinct stages each with two possible outcomes. Successful completion of each stage leads to a healthy personality. These stages are –

- **Infancy** – It is the period between 0-1 years of age. In this stage, children learn the ability to trust others depending on their caregivers. Unsuccessful completion in this stage results in anxiety and insecurity. **Example** – Children of this age are more comfortable with those faces they see more often and not with strangers.
- **Early Childhood** – It is the period between 1-3 years of age. In this stage, children learn to be independent. If given support, they become more confident else they become dependent over others. **Example** – Children in this age are taught how to walk, how to talk etc.
- **Play Age** – It is the period between 3-6 years of age. In this stage, children assert themselves frequently. The failure leads to development of a sense of guilt among them. **Example** – Children in this age group, need to be taught how to behave and should be taught to be focused.
- **School Age** – It is the period between 6 years of age till puberty. In this stage, children become more innovative. They feel confident and want to achieve their goals. If not encouraged they may feel inferior. **Example** – Teenagers should be protected and parents need to understand them and should handle them patiently.
- **Adolescence** – This stage is a transformation from childhood to adulthood. Here children find their own identity and should be guided and supported in order to help them choose the right direction. **Example** – Decision such as which stream to choose science or commerce etc. happens during this stage.
- **Young Childhood** – This stage is also known as young adulthood. Here, they begin to open up and become more intimate with others. **Example** – Making close friends.

- **Adulthood** – In this stage, they focus on establishing career and settling down with relationships that are important. **Example** – Applying for jobs.
- **Mature Adulthood** – In this stage, a person is old and thus in this stage the productivity slows down. **Example** – Taking care of the family.

Sheldon's Physiognomy Theory

This theory was proposed by William Sheldon. He presents personalities by classifying individuals into convenient categories based on their body shapes. They are –

- Endomorphs
- Mesomorphs
- Ectomorphs

Endomorphs

In this category, the body is soft and spherical. People with this kind of personality love comfort, eat a lot, like to be around people and desire affection. Some common endomorph features are large amount of fat accumulation, insatiable appetite, larger frame etc.

Mesomorphs

In this category, the body is hard and rectangular physique. People with this kind of personality like to take risk, are courageous and have power. Some common mesomorph features are wide shoulders, small waist, low body fat.

Ectomorphs

In this category, the body is fragile, flat chest and delicate body. People with this kind of personality are anxious, ambitious and

dedicated. Some common ectomorph features are narrow frame, low body fat, etc.

UNIT-4

Leader ship:

You would have heard of great leaders of the world. Some are 'born leaders' and some 'made leaders'. All managers need not be good leaders but all leaders are good managers. The success or failure of an organization depends upon its leadership. The organizational effectiveness stands on again leadership. Let us discuss the concept and theories of leadership.

Definition of leadership

Keith Davis defines leadership as *"the ability to persuade others to seek defined objectives enthusiastically. It is the human factor that binds people together and motivates them towards goals. Leadership is the process of encouraging and helping others to work enthusiastically towards objectives."*

Characteristics of leadership

1. Leadership is the process of influencing the behaviour of others.
2. Leadership uses non-coercive method to direct and coordinate the activities of the members.
3. Leadership directs the people to attain some goal.
4. Leadership occupies a role for a given time and for a group.
5. A leader possesses qualities to influence others.
6. Leadership gives people a vision for future.
7. It is a group activity. Leader influences his followers and followers also exercise influence over their leader. Leadership interacts.
8. Leadership is meant for a given situation.
9. Leadership is a continuous process of influencing behaviour. It instills dynamism in the group.
10. It is a psychological process and multi-dimensional in character.

Functions of Leadership

Krech who identifies fourteen functions provides a useful summary.

1. The leader as executive – top coordinator of the group activities and over-seer of the execution of policies.
2. The leader as planner – deciding the ways and means by which the group achieves its ends. This may involve both short-term and long-term planning.

3. The leader as policy maker – the establishment of group and policies.
4. The leader as expert – a source of readily available information and skills, although there will be some reliance on technical expertise and advice from other members of the group.
5. The leader as external group representative – the official spokesperson for the group, the representative of the group and the channel for both outgoing and incoming communications.
6. The leader as controller of internal relations – determines specific aspects of the group structure.
7. The leader as purveyor of rewards and punishment – control over group members by the power to provide rewards and apply punishments.
8. The leader as arbitrator and mediator – controls interpersonal conflict within the group.
9. The leader as exemplar – a model of behaviour for members of the group, setting an example of what is expected.
10. The leader as symbol of the group – enhancing group unit by providing some kind of cognitive focus and establishing the group as a distinct entity.
11. The leader as substitute for individual responsibility – relieves the individual member of the group from the necessity of, and responsibility for, personal decision.
12. The leader as ideologist – serving as the source of beliefs, values and standards of behavior for individual members of the group.
13. The leader as father figure – serving as focus for the positive emotional feelings of individual members and the object for identification and transference.
14. The leader as scapegoat – serving as a target for aggression and hostility of the group, accepting blame in the case of failure.

Leader Vs Manager

Manager	Leader
<ul style="list-style-type: none"> ▪ Focuses on the present ▪ Prefers stability ▪ Orients toward the short term ▪ Focuses on procedure ▪ Asks "what" and "how" ▪ Prefers to control ▪ Is happy in complexity ▪ Uses the rational mind ▪ Works within the context of the organization and the business 	<ul style="list-style-type: none"> ▪ Looks toward the future ▪ Appreciates change ▪ Orients toward the long term ▪ Engages in a Vision ▪ Asks "why" and "what" ▪ Knows how to delegate ▪ Prefers to simplify ▪ Trusts intuition ▪ Takes social and environmental contexts into consideration

Styles of leadership

- Different leadership styles exist in work environments.
- The culture and goal of an organization determine which leadership style fits best.
- Some organizations offer different leadership styles within an organization, depending on the necessary tasks to complete and departmental needs.

We find five different leadership styles in the corporate world

1. Laissez-Faire
2. Autocratic
3. Participative/democratic
4. Affiliative Style
5. Coaching Style

1.Laissez-Faire

A laissez-faire leader does not directly supervise employees
Highly experienced and trained employees with minimal requirement of supervision

But, not all employees possess these features. This leadership style blocks the production of employees needing supervision. The laissez-faire style

implements no leadership or supervision efforts from managers, which can lead to poor production, lack of control and increasing costs.

2. Autocratic

- "Do as I say."

- The autocratic leadership style permits managers to make decisions alone without the input of others.
- Managers exercise total authority and impose their will on employees.
- No one opposes the decisions of autocratic leaders.
- Countries like Cuba and North Korea operate under the autocratic leadership style.
- This leadership style benefits those who require direct supervision. Creative employees who participate in group functions dis-satisfied this leadership style.

Authoritative Style

- "Follow me."
- The mark of confident leader who map the way and set expectations, while engaging and energizing followers along the way.
- They help them see where the company is going and what's going to happen when they get there.
- Authoritative leaders take the time to explain their thinking
- They don't just issue orders.
- Most of all, they allow people choice and latitude on how to achieve common goals.

Participative/ Democratic Style

What do you think?"

- They share information with employees about anything that affects their work responsibilities.

- They also seek employees' opinions before approving a final decision.
- There are numerous benefits to this participative leadership style.
- It can engender trust and promote team spirit and cooperation from employees.
- It allows for creativity and helps employees grow and develop.
- A democratic leadership style gets people to do what you want to be done but in a way that they *want* to do it.

Affiliative Style

- "People come first."
- In this where the leader gets up close and personal with people.
- A leader practicing this style pays attention to and supports the emotional needs of team members.
- The leader strives to open up a pipeline that connects him or her to the team.
- Ultimately, this style is all about encouraging harmony and forming collaborative relationships within teams.
- It's particularly useful, for example, in smoothing conflicts among team members or reassuring people during times of stress.

1.Compassionate.Feeling for other

The Dalai Lama believes when we apply reason, compassion can be extended to all seven billion human beings.

2. Mindful.

When you are mindful, your mind is calm - only then will you be able to use your sense of reason "practically, realistically, and with determination."

3. Selfless.

"Once you have a genuine sense of concern for others, there's no room for cheating, bullying, or exploitation," says the Dalai Lama.

A selfless leader will become a great leader, who is honest and transparent in conduct.

Coaching Style

- "Consider this".
- A leader who coaches views people as a reservoir of talent to be developed.
- The leader who uses a coach approach seeks to unlock people's potential.
- Leaders who use a coaching style open their hearts and doors for people.
- They believe that everyone has power within themselves.
- A coaching leader gives people a little direction to help them tap into their ability to achieve all that they're capable of.

Theories of leadership:

Leadership is a qualitative concept. That is why there is no single definition for leadership.

Let us see the various theories of leadership.

1. Trait theory
2. Behavioural theory
3. Contingency theory
4. Fielders contingency
5. Likert's systems
6. Managerial grid
7. Reddin's theory
8. Situational theory
9. Path-goal theory

Theories of Leadership

1. Trait Theories

The most commonly used approach to the study of leadership concentrated on leadership traits.

Trait theories of leadership try to differentiate leader from nonleaders on the basis of traits. A leader was described on the basis of qualities such as intelligence, charisma, decisiveness, enthusiasm, strength, integrity, and self-confidence. There were certain characteristics such as physical energy or friendliness that were essential for effective leadership. These personal qualities like intelligence were felt to be transferable from one situation to another. Since all individuals did not have these qualities, only those qualities can be considered as leaders. It is, however, intended to identify traits that are consistently associated with leadership. For example, intelligence, dominance, self-confidence, high energy level and task-relevant

knowledge are five traits that show positive correlation with leadership.

2. Behavioural Theories

The deficiency in the trait theory to explain the leadership prompted the researchers to take into the behaviours that specific leaders exhibited. The Ohio state Group and the University of Michigan Group are the two popular studies which developed the leadership styles. Ohio State studies have identified two types of leadership behaviour described by the subordinates.

Initiating structure: The leader is characterized as holding the highest position with initiating structure and he assigns group members particular tasks. He expects workers to maintain definite standards of performance and emphasizes the meeting of deadlines.

Consideration: A leader with consideration shows concern for his or her followers' comfort, well being, status, and satisfaction. Such leaders help subordinates with personal problems and treat all subordinates as equals.

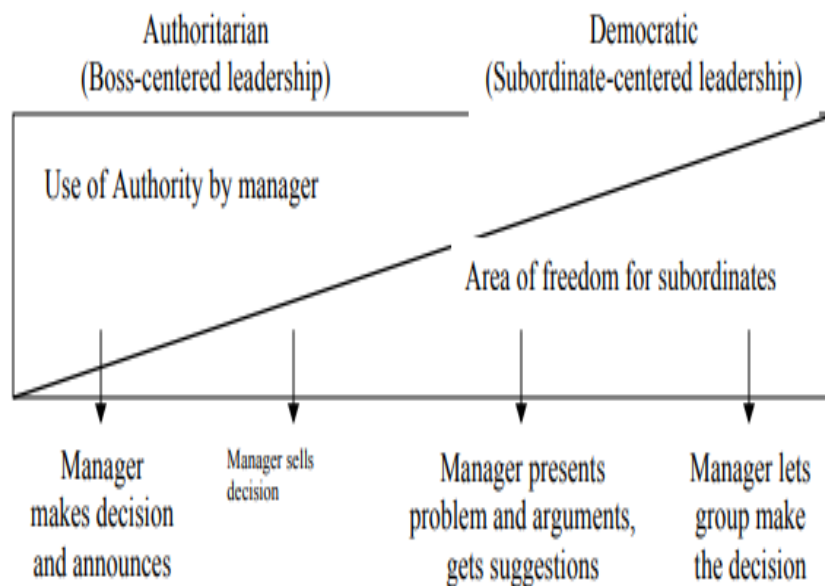
3. Contingency Theories of Leadership

Tannenbaum and Schmidt's Leadership Pattern: Contingency theory advocates that there is no "one best way" to lead in all situations. Effective leadership style varies from situation to situation. Leadership style depends upon various factors like traits of the leader, the characteristics of the nature of the task being done and other situational factors. It was felt that the concern for task tends to be represented by autocratic leader behaviour, while concern for relationship is represented by democratic

behaviour. This was popular because it was generally agreed that, leaders influence their followers by either ways

- (1) they can tell their followers what to do and how to do it or
- (2) they can share their leadership responsibilities with their followers by involving them in the planning and execution of the task.

The former is the traditional authoritarian style, which re-emphasises task concerns. The latter is more of a non-directive democratic style, which stresses the concern for human relationship. The authoritarian leadership is often based on the assumption that the power of leaders is derived from the position they occupy and the members of the group are inherently lazy (theory X). The democratic style approves that the power of the leaders is granted by the group they are to lead (theory Y). In authoritarian style all policies are determined by the leader. In democratic style, policies are open for group discussion and decision. Robert Tannenbaum and Warren H Schmidt depicted a broad range of styles between these two extremes as a continuum moving from authoritarian or boss centered leader behaviour at one end to democratic or subordinate centered leader behaviour at the other end.



4. Fiedler's Contingency Theory

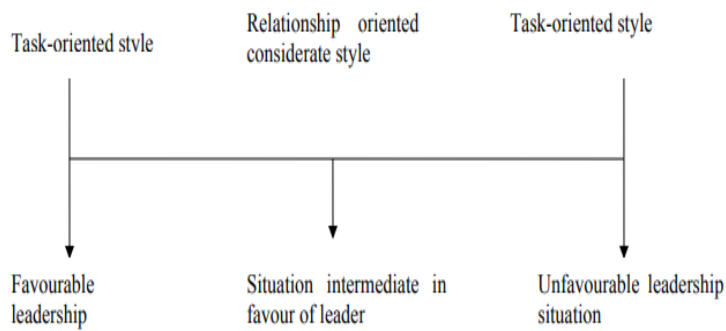
The point of concern is not the 'best' style of leadership but of the most effective type of

leadership style for a particular situation. The effective or ineffective leadership style depends upon the important elements of the situation. Fiedler (1967) developed a contingency model of leadership effectiveness. The model is based on the relationship between leadership style and the favourableness of the situation.

The favourableness of situation depends upon the following

1. The leader-member relationships: the personal relations with the members of the group are a critical variable in determining the favourableness and unfavourableness of a situation.
2. The degree of task structure: the degree of structure in the task that the group has been assigned to perform.
3. The leader's position power. The power and authority that their position provides which is the third most critical dimension of the situation. Situations are favourable to the leader if all the three of the above dimensions are high

i.e.. If the leader is well accepted by the followers (first dimension traits). If the task is very structured and everything is spelled out (second dimension-high) and if a great deal of authority is formally attributed to the leader's position (high-third dimension), the situation is highly favourable. If the three dimensions are low, the situation is highly unfavourable. It was discovered that under very favourable and very unfavourable situations the task-oriented leader was the most effective.



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5. Likert's System-4-Management

Rensis Likert (1967) suggests that managers operate under four systems.

In system-1

the manager operates in very authoritarian manner and exploits the subordinates.

In system-2

the manager is a benevolent autocrat, behaves in paternalistic manner and still tries to be autocratic.

In system-3

manager adopts a consultative approach. He consults subordinates but takes the final decision.

In system-4

manager uses a democratic style. Manager presents the problem and makes the decision by consent.

The typical characteristic of the four systems is indicated in the chart given below:

Characteristic	System-1 exploitative	System-2 Benevolent	System-3 consultative	System-4 participative
	Authoritative	Authoritative		
Trust in Subordinates	None	Considerate	Substantial	Complete
Motivation accomplished by	Fear, threats	Rewards, punishments	Rewards, punishments involvements	Group participation/involvements
Communication	Very limited	Limited	Fairly Widespread	Widespread
Interpersonal interaction	Very limited	Limited	Moderate amount	Extensive
Decision making	Centralized	Mostly centralized	Some participation allowed	Participation allowed
Control	Centralized	Mostly centralized	Moderate delegation	Extensive delegation
Informal organisation	Always developed and in opposition to the organisation	Usually developed and partially in opposition to the organisation	May be developed and may support or oppose the organisation	Informal organisation is the same as the formal organisation

To sum up, system 1 is a task oriented, highly structured authoritarian management style.

System 4 is a relationship – oriented management style based on teamwork, trust and confidence.

System 2 and 3 are intermediate stages between two extremes, which approximate closely to theory

X and theory Y assumptions. Organisations are only beginning to realize that their most important assets are Human Resources and that the managing of these resources is one of their most crucial tasks.

6. Managerial Grid

Robert R Blake and Janes Mouton's (1969) managerial grid is one of the very popular

approaches to identify the leadership style of practising managers. Concern for people and concern for production are the two dimensions of the grid. Concern for people is on the vertical axis and concern for production is on horizontal axis. These two dimensions are similar to the consideration and initiating structure functions identified by the Ohio state studies and the employee-centered and production-centered style used in the Michigan studies.

In the managerial grid, five different types of leadership based on concern for production

(task) and concern for people (relationship) are located in four quadrants.

A 9 by 9 grid is generated on the basis of these two dimensions. Blake and Mouton identified 1,1 or impoverished style of managers who are low on both in their concern for people and production,

the 1,9 to country club style managers having high concern for people but low concern for production,

the 5,5 or the middle – of – the – road style of managers who have moderate levels of concern for both people and production.

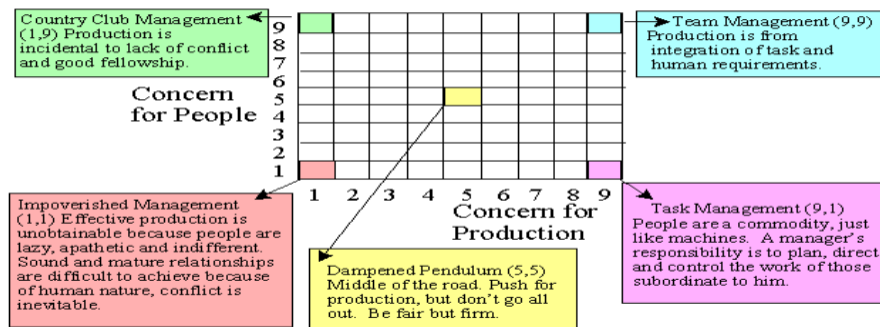
The 9,1 or the manager style, manager has high concern for production but very little

concern for people and

finally the 9,9 or team management style manager has high concern for both

people and production i.e., the leader with a rating of nine on the horizontal axis has a maximum concern for production. People become more important for the leader as his rating progress up the vertical axis. A leader with a rating of nine on the vertical axis has maximum concern for people.

MANAGERIAL GRID*



* Adapted from Blake, R. R. and J. S. Mouton. 1962. The managerial grid. *Advanced Management Office Executive* 1(9).

Managerial Grid (Blake & Mouton)

According to Blake and Mouton, the one best style for all managers in all organisations and under all situations is the 9,9 or team management style.

7.Reddin's Three Dimensional Managerial Grid:

Blake and Mouton do not relate the style of a manager to effectiveness. William J. Reddins(1970) has added a third dimension to the 2 dimensional managerial grids.

The four basic leadership styles represented in the central grid are same as those identified in Ohio state studies and 2 dimensional managerial grids. Reddins said that the four styles on upper 80 right are effective and the four styles on the lower left are ineffective. The upper right of the four styles achieve the output requirement and goals of the job.

Effective Styles:

1. Executive: - This style gives great concern for both tasks and relationships. A manager using this style is seen as satisfying the group for setting goals and organizing work.
2. Developer: - This style gives maximum concern for people and minimum concern for task. A manager using this style is seen as having implicit trust in people and is primarily concerned with their goal accomplishment.
3. Benevolent Autocrat: - This style gives maximum concern to task and minimum concern to people. The manager is seen as having well defined methods for accomplishing goals that are helpful to managers.

4. Bureaucrat:- This style gives minimum concern for task and people. The manager using this style is seen as appropriately delegating to subordinates decisions about how the work should be done.

Ineffective Styles:

1. Compromises: - It is high task and high relationship behaviour. The manager with this style is seen as initiating more structure that is needed by the group. He appears to be not genuine in interpersonal relationships.

2. Missionary: - This style gives maximum concern for people and minimum concern to tasks. A missionary manager is seen as unwilling to accomplish a task if it risks disrupting on relationship or losing a “good person” image.

3. Autocrat: - This style is high concern for task and minimum concern for people. An autocrat manager is seen as imposing methods on others and interested in short run outputs.

4. Deserter: - This style is minimum concern for people and task. Deserter is seen as providing little support when needed by the members of the group.

A model such as a Tri- dimensional leader effectiveness model is distinctive because it does not depict a single deal leader behaviour style that is being suggested for all situations.

8. Hersey and Blanchard's Life Cycle Or Situational Approach

Taking the lead from Fiedler's work on situational variables, Hersey and Blanchard

incorporated the majority of the followers into their model. The level of majority is defined by the following criteria:

1. Degree of achievement motivation.
2. Willingness to take on responsibility.
3. Amount of education and / or experience.

Telling style

This style involves high task behaviour and low relationship behaviour. In this situation

followers are unwilling to take responsibility. They have to be directed with clear and specific direction about their roles. They have to be told

about what, how, when and where to do various tasks because of the follower's low level of maturity. Telling style is for low maturity people.

Selling style

This style involves high task behaviour and high relationship behaviour. In this situation

people are unable but willing to take responsibility. They are confident but lack skills at this time. The leader tries to get the followers psychologically to buy into desired behaviour through two-way communication and explanation. Selling style is for low to moderate maturity.

Participating style

This style involves high relationship behaviour and low task behaviour. People at the

maturity level are able but unwilling to go, what the leader wants. They are unwilling due to lack of confidence or insecurity. The leader has to actively listen to people and support their efforts. Thus a supportive, nondirective, participating style has the highest probability of being effective with individuals at this maturity level.

Delegating style

This style involves low relationship behaviour and low task behaviour. People at this

maturity level are both able and unwilling to take responsibility. The responsibility for carrying out the plans is given to these mature followers. They are permitted to run the show. Delegating is for high maturity people.

Application of Situational Leadership

Situational leadership helps to assess the maturity level of the followers. The leader in

situational leadership style should help followers to grow in maturity, as they are able and willing to go.

Adjusting leadership behaviour through the four styles.

Situational leadership contends that strong direction (task behaviour) with immature

followers is appropriate if they are to become productive. It suggests further that the leader should provide positive reinforcement and socio-

emotional support to the people who are graduating from immaturity to maturity. The leader should decrease the control over their activities but also continue to decrease relationship behaviour as the followers reach high level of maturity.

If the followers are very mature, the leader has to leave them on their own. Then there is more trust and friendship between the leader and the followers. However, the leader has to watch the performance level and the leader should also provide appropriate socio-emotional support and direction.

9.Path-Goal Leadership Theory

Robert House of the university of Toronto initially developed this theory, and House and

Mitchell later refined it. It is called path-goal approach because its primary concern is the leaders' influence on his follower's perception of their work goals, personal goals and paths to achievement of these goals". It is based on the notion that a leader behaviour motivates and satisfies his followers to such an extent that it promotes the attainment of the followers' goals and clears the path to attainment of these goals. Leadership, according to this path-goal theory is closely related to motivation, on the one hand, and the power, on the other. In essence, the theory attempts to explain the impact that leader behavior has on follower's motivation, satisfaction and performance. According to the authors of the theory, there are four basic or major styles of leadership behaviour.

They are:

1. Directive leadership: Here the subordinates know exactly what is expected of them and leader gives specific directions. There is no participation by the subordinates. When the demands of the task on hand are ambiguous or when organisational procedures, rules and policies are not clear, a directive leader may complement the task by providing the necessary guidance and psychological structure for his followers. When the demands of the task are clear to the followers, high level of directive leadership may impede effective performance.

2. Supportive leadership: The leader is friendly and approachable and shows a genuine interest for subordinates. This style of leadership has its

most positive effect on the satisfaction of followers who perform tasks that are full of stress, and are frustrating and unsatisfactory or unsatisfying.

3. Participative Leadership: The leader asks for and uses suggestions from subordinates but takes the decision by himself.

4. Achievement-oriented leadership: The leader sets challenging goals for subordinates and shows confidence in them to attain these goals and perform well. For followers performing ambiguous, non-repetitive tasks, the higher the achievement orientation of the leader, the more confident they would be that their efforts would pay-off in effective performance.

Contrary would be the case, when followers perform unambiguous and repetitive tasks. The path goal theory suggests that these various styles can be and actually are used by the same leader depending on the characteristics of the subordinates and the environmental pressures.

House has concluded that a high degree of direction in autonomous or ambiguous situations increases satisfaction by clarifying the path to Goal achievement. In contrast, strongly defined tasks are performed best with greater employee satisfaction when the leader demonstrates high degree of consideration.

The autonomous jobs are most intrinsically satisfying than structured activities are. As a result, leader behaviour will be less relevant to the need or performance of subordinates than when the path is more difficult to negotiate.

Power and authority

- Authority is the formal right to do the work
- Henry Fayol defined the authority as “*the right to give orders and the power to exact obedience. Authority gives the management the power to enforce obedience. It is the power to give orders and make sure that these orders are obeyed.*”
- Authority refers to the right to exercise power in formal way
- A governing body is referred to as authority.

- In the government Authorities and Power are used interchangeably.

Power

“Power is simply the extent of the capability to control others so that they will do what they are wanted to do.”

- Some people think that power comes through external sources and authority
- while others think that power is the inside ability of the person but the real definition of power is that power means influence.
- Influence increases when we offer more support to others in their job.
- Being powerful means giving more support to others instead of taking support from others.
- Authority means to give order but power means to give help to others and helping them complete their job.
- The concepts of power and authority are synonyms, while others contend that they are distinctly different.
- Power can be only used to influence others
- Authority means to give order
- Authority one gives a complete order to fulfill the job.
- Power means to give help to others and helping them complete their job.

Comparison Chart

BASIS FOR COMPARISON	POWER	AUTHORITY
Meaning	Power means the ability or potential of an individual to influence others and control their actions.	The legal and formal right to give orders and commands, and take decisions is known as an Authority.
What is it?	It is a personal trait.	It is a formal right, given to the high officials.
Source	Knowledge and expertise.	Position & office
Hierarchy	Power does not follow any hierarchy.	Authority follows the hierarchy.
Resides with	Person	Designation

Types of power:

- Formal Power.
- Legitimate Power.
- Expert Power.
- Referent Power.
- Coercive Power.
- Reward Power.
- Informational Power.
- Connection Power.
- Political Power.
- Charismatic Power

Formal Power

- An individual's position in an organization.
- The ability to reward, from formal authority, or the control of information.
- Based on rank
- For example, the fire chief or the captain.

Legitimate Power

- In the formal groups and organizations, probably the most frequent access to one or more of the power bases is one's structural position. This is called legitimate power.
- Positional power based on position in organization
- Job descriptions, for example, require junior workers to report to managers

An example of legitimate power is held by a company's CEO.

Expert Power

- Influence expertise, special skill, or knowledge.
- Possessing knowledge or expertise in a particular area.
- Valued for their problem-solving skills.
- Possession of expert power is normally a stepping stone to other sources of power such as legitimate power.
- For eg person promoted to senior management

Referent Power

- Identification with a person who has desirable resources or personal traits.
- If I like, respect, and admire you, you can exercise power over me because I want to please you.
- It is also derived from personal connections

Coercive Power

- A person's ability to influence others via threats, punishments
- A junior staff member may work late to meet a deadline to avoid disciplinary action from his boss.
- It helps control the behavior of employees **by policy and norms**

Reward Power

- The opposite of coercive power
- People obey with the wishes or directives of another because doing so produces positive benefits
- Reward such as rates, raises, and bonuses; or nonfinancial – including merit recognition, promotions,
- Reward power, if used well, greatly motivates employees.

Informational Power

- A person wanted information.
- This is a short-term power that doesn't necessarily influence or build reliability.
- For example, a project manager explain about the project
- This should not be a long-term strategy.

Connection Power

- It is where a person attains influence by gaining favor or simply associate with a powerful person.
- This power is all about networking.
- People employing this power build important coalitions with others.

Political Power

- This power comes from the support of a group.
- It arises from a leader's ability to work with people and social systems to gain their allegiance(loyal) and support.
- By using political power, leaders can influence others and get some facilities from the organization.

UNIT-5

Management of change

We live in an age of transition. One of the few things of real permanence in our world is change. It has become an inescapable fact of life a fundamental aspect of historical evolution. The amount of technical information available doubles every ten years. Change is inevitable in a progressive culture. Change, in fact, is accelerating in our present day society. Revolutions are taking place in political, scientific, technological and institutional area. Sophisticated communication capabilities have also increased. Telemarketing, robotics etc are taking over some jobs currently performed by employees that bear testimony of the fast paced, rapidly changing organisation. Pressures for change are created both outside and inside the organisation. In fact, an organisation that refuses to adapt and adopt change cannot last longer.

Meaning of change

Change is to be initiated at various levels within the organisation system. Manager has to ensure that the individuals and groups in organisations and structures, processes and behaviour of sub-systems adopt to the changing external and internal environment. A manager can bring in the needed change in many ways. The individual can be made ready to accept the change by offering special training required to handle the new assignment. Groups can be helped through team building efforts to operate interactively in a smooth and harmonious fashion, so as to increase their effectiveness. Technological changes can be introduced with the change in the structures and the job can be redesigned or new policies initiated which serves the need of both employees and organisation. The changes at attitudinal, perceptual and behavioural level can be brought by changing the organisational climate.

Features of change

Characteristics of organisational change:

- 1) Change basically results from stimuli from both outside and inside the enterprise;
- 2) Change takes place in all the organisations but at varying rates of speed and degrees of significance;

3) Finally, the enterprise changes in several ways. Its technology may change; its structure, people, procedures and other elements may also change.

Any alteration that occurs in the overall work environment is called change. Change requires new adjustments and new equilibrium. The nature of work change is so complicated that the management should gain acceptance for the change, and restore the group equilibrium and personal adjustment that change upsets.

Forces of change

a) **Internal Forces:** There are some internal forces that cause changes in the organisations. They relate to change in machinery, equipment, methods and procedures, work standards, change in the structure, changes in authority, status, and responsibility etc.

b) **External forces:** Outside the organisation, environmental conditions are becoming less and less stable day by day. They are even becoming turbulent. These pressures necessitate the organisation to change and adapt to meet the new demands and requirements. Organisation cannot afford to be rigid and inflexible in the wake of environmental pressures. They must be dynamic and viable, so that they can survive.

(i) **Technology:** Technology is the major external pressure of changes. It is perhaps the

greatest factor that the organisation has to reckon has to with. The rate of technological changes is so fast that we have to run to be where we are. Technological changes are creeping in our private lives too. They are also responsible for changing the nature of jobs performed at all levels in the organisations. Knowledge explosion, more particularly the computer technology and automation have made a remarkable impact on the functioning of industries in recent times. Technology change has always been equated with the progress in society. Today's technology has outstripped the imagination of the science fiction writers of the last generation. Each technological alternative results in setting into motion a chain of changes. Technology necessitates an organisation to change its process of manufacturing, make line and staff adjustments etc. Organisations of today must equip themselves to absorb rapid extensive

changes in the technology and the resultant need to deal with the great ambiguity and uncertainty.

(ii) *Economic Shocks*: Increase in the purchasing power of the people has increased the demand for luxury goods. The consumer has also become quality conscious.

a) Export/import policy of the Government. b) Changes in the interest rates.

c) The status of the economy. d) The status of money market.

(iii) *Market Situation*: Changing market situations is a seemingly ubiquitous phenomenon. The market changes include rapidly changing tastes of consumers, needs and desires of consumers, suppliers, etc. Competition for new products, designs, changes in quality are growing at a terrific pace. In a nutshell the entire complexion of the market is changing. Modern organisations

are functioning in a highly competitive terrain. If they are to survive, they must adapt themselves to the change and adopt the change as well.

(iv) *Social and Political Changes*: Such environmental pressures as social and political changes, as well as the relations between government and business also influence the results of the organisational efforts. Many new legal provisions get introduced every time that affects the organisations. Organisational units literally have no control over these forces but in order to survive they must adapt to changes.

Resistance to change

Many a time change is resisted by employees, even if the change is for their benefit and the organisation. Resistance to change is perhaps one of the baffling problems a manager encounters because it can assume many forms. The effects of resistance may be overt or implicit, may be subtle and cumulative. Implicit resistance may be manifested in tardiness, loss of motivation to work, increased absenteeism and the requests for transfer etc. Overt resistance, on the other hand, assumes the form of wildcat strikes, shoddy work, and reduction in productivity etc.

In fact, there may be near-infinite reasons why people resist change in the organisation.

According to Keith Davis, the following are the main reasons for resistance to change.

1) *Economic Reasons:* Keith Davis, remarks “people fear technological advances may result in unemployment, reduced work hours, demotion, reduced wages and reduced incentives and hence resist change.”

2) *Obsolescence of Skills:* Sometimes, however, introduction of new technology throws people away from doing important jobs (or demanding works) to less important or dead-end ones where little or no skills are required to exhibit. More realistically, when people perceive psychological degradation of the job they are performing they resist such a change.

3) *Preference for Status Quo:* Perhaps the biggest and the most sound reason for the resistance to change is the preference for status-quo. People have vested interest in the status quo. Change may pose disturbance to the existing comforts of status quo.

4) *Fear of the Unknown:* Change presents the unknown things, which cause anxiety.

Whenever people do not know exactly what is likely to happen, they are likely to resist it. The unknown thing poses a constant threat. Thus people resist change and its consequences.

5) *Social Reasons:* Economic and personal reasons for the resistance apart, some social reasons may also be accountable for the possible resistance to change. Social displacements and peer pressure are among those social reasons that are very important for the manager to consider when dealing with resistance to change.

6) *Social Displacements:* Introduction of change often results in breaking up of work groups. In the work environment develop informal relationships. When the friendship with fellowmembers is interrupted, then there is a possibility for the employees to experience psychological let down. When the social relationships develop, as normally is the case, people try to maintain them and fight social displacement by resisting change.

7) *Peer Pressure:* Situations are not rare where individuals are prepared to accept change at their individual level, but refuse to accept it for the sake of the group.

8) *Security*: People have to learn new methods of doing things. They are not sure whether they would become adept in the new method even after training. This fear of retraining the effectiveness with new methods creates a sense of insecurity in the minds of the people. This is apart from the economical job security.

9) *Undermining of Status and Authority*: The newer technologies and methods may do away with part of the status and authority that is vested with a position earlier. For example if the work methods are completely automated, the supervisor feels that his authority and status are undermined and that he will have no control over the subordinates and they will not respect or obey him.

10) *Retraining*: Change may require the employee to go for retraining to update his/her skill to work with the newer machines. But some may be scared to interact with the new machines and methods. People prefer the status quo. Most of the people are comfortable with the existing set up. This may also add to the resistance to change.

11) *Non-Involvement in the Decision Making*: People may resist change if they are not consulted before the introduction of change. Whenever changes are introduced without the participation of those who are concerned with the change, they will definitely resist change. On the other hand, if the contemplated changes are the result of the participation of all those who are going to be affected, it will make them to take personal interest to see that the change works.

Organisational Development

OD techniques, also known as OD interventions are defined by French and Bell as “The

planned activities clients and consultants participate during the course of an organization development program.” They are essentially a set of planned activities, which are introduced to bring the desired change in the organisation. In this context, OD interventions are said to be the action component of Organisational Development (OD) interventions attempt to improve the “fit” between the individual and the organisation, between the organisation and its environment and among the different organisational components like strategy, structure and processes. OD practitioners do not

believe in power, control, conflict and coercion. They attach importance to collaboration, confrontation and participation.

Process of Organisational Development

1. *Planned change*- the planned change separates the OD efforts from other kinds of more hazard changers that frequently occur in modern organisations.
2. *Comprehensive change*-OD efforts generally involve a total system. The entire organization or unit within the organisation is of unit analysis.
3. Emphasis upon work groups- OD efforts though aimed at organisational changes are oriented towards groups.
4. Long range-The process of change takes months or in some cases, years,
5. Participation of a change agent-‘OD’ experts suggest need for an outside third ‘change agent’.
6. Emphasis upon intervention and action research- The ‘OD’ approach emphasizes an active participation in the ongoing actives. Acton research helps to attack problems.

Types of Organisational Deveolopment interventions

As the members interact with each other, the facilitator moderates the discussions and

provides an opportunity for each participant to express his/her opinions, beliefs and ideas. He also takes a note of the expressions and reactions of the participants during the interactions and at the end of the sessions, provides them feedback on their behaviour. The feedback helps members of the group to know more about themselves as well as of others and learn about group dynamics (such as how a group comes into existence, forms its norms and grows). This kind of training helps them to improve their listening skills, learn to talk openly and accept individual differences.

The Survey Feed Back

The survey feedback (French and Bell, 1978) is a good diagnostic tool. The findings of the survey feed back can be used for several types of interventions. Attitude surveys and data feed back are basically used for the survey feed back. Whenever the organisation contemplates

introducing a change, it is necessary to do an attitudinal survey of individuals and groups at all levels in the organisation. These surveys provide a useful data for future trends. Every one in the organization can participate in survey feed back. A questionnaire is usually completed by all members in the organisation or unit. Organisation members may be asked to suggest questions or may be

interviewed to determine what issues are relevant. The questionnaire typically asks members for their perceptions and attitudes on a broad range of topics – such as decision-making practices, communication effectiveness. Co-ordination between the units, and satisfaction with the organisation, job, peers and their immediate supervisor.

Process Consultation

In process consultation, great emphasis is laid on understanding organisational processes. The

processes include flow of work, flow of communication, roles and responsibilities of employees, group problem solving and decision-making, co-operation and competition among groups, etc. In this technique, the external consultant helps individual employees or work groups understand process events, human and social processes and the consequences of these processes. According to Edgar Schein a process consultant should help the client organisation set an agenda for meetings, present feedback on observations to members of the client organisation and offer coaching and counselling to organisational members (about the change process, performance improvement and so on). He should educate teams on the mechanism by which

processes can be changed. Though he does not actively participate in the discussions, he should make suggestions if the teams fail to find any solution. This is because the process consultant is expected to play the role of a resource person and not an expert. He does not lead work teams but only facilitates their attempts to analyse the processes in their units, diagnose the problems and determine the processes that need improvement.

Team Interventions

Team interventions are the techniques used by OD practitioners to improve the performance of work teams. In general, groups and teams are considered synonymous, but technically there are some differences between them. A group is a number of people gathered, placed or working together, whereas a team is a form of group which is characterized by a higher degree of cohesiveness, interdependency and interaction between members and a commitment to common goals. Team building interventions cover four substantive areas in the working of organizational teams, namely, problem diagnosis, task accomplishment, maintaining team relationships, and improving team and organisation processes.

(1) **Gird Seminar** - a five-day seminar where participants learn more about the Gird and about their own personal style of managing. The goals of the gird seminar are: to increase self understanding; to experience problem-solving effectiveness in teams; to learn about managing inter-face conflict; and to comprehend organisation implications.

(2) **Team Building** – follows the gird seminar and is concerned with the diagnosis of barriers to sound teamwork and the identification of opportunities for improvements within the actual work teams. A major goal is to establish objectives for team and individual development.

(3) **Interface Development** – marks the start of overall OD. This phase is concerned with inter –group relations, analyzing barriers to interface co-operation and co – ordination, and applying problem-solving and decision-making skills. Conflicts and frictions among groups are identified and analysed.

(4) **Ideal strategic organisational model** – in this phase participants of the top team study and diagnose the current goals, needs and business activity of the organisation. The top team then designs an ideal corporate model and specify a blueprint for the redesign of the organisation.

(5) **Implementing development** – this phase is concerned with the implementation of the ideal corporate model. This involves the examination of existing activities, identification of those that are sound, and then design specific action as necessary to change activities to meet the ideal model.

(6) **Consolidation** – is the overall, evaluation phase. It is concerned with stabilizing and consolidating progress achieved in the earlier phase (1)-

(5). The organisation continues to adapt and it is necessary to monitor environmental changes, which may call for a shift in the mode.

Transaction Analysis:

Transaction analysis is another 'OD' technique. Transaction analysis is both an approach for

defining and for analyzing communication interaction between people and theory and theory of personality. Managers or trainers or consultants, who are in influencing roles, will be able to develop others, and help them to become self sufficient and capable of solving problems. Transaction analysis is one of the important tools to understand the personality style of the individuals. TA holds that an individual's personality is made up of three-ego states- the parent, the child, and the adult. These labels have nothing to do with the age.

The parent: The parent ego state performs functions, regulatory behaviour through prescriptions, and sanctions, and nurturing through providing support. It is an ego state of authority and superiority. A person acting in his parent state is usually dominant, scolding and otherwise authoritative.

The Adult: The adult ego state performs the function of collection of information, and the processing of such information like a computer. The adult state is rational and objective. It deals with reality and objectively gathers information. It is not prejudiced by the values of the parent or the natural urges of the child.

The child: The child ego state is concerned with several functions like creativity, curiosity and fun, and with manipulation, rebellion and sulking. The child contains all the impulses that are natural to an infant. Acting in this state, one can be obedient or manipulative, charming at one moment and repulsive the next. Whereas the parent acts as he or she was taught, the child is emotional and acts according to how he feels at the moment.

Conflict Management

Conflict is a part of life. People are being subjected to conflict both inside and outside the organisation. Conflicts arise due to limitation of resources, competition and difference in values, goals, attitudes, expectations etc. Whatever may be the cause, if conflicts are not managed well, they may

adversely affect the mental health of the managers and also the health of the organisation. An organisation consists of people with different backgrounds; as these individuals differ in their opinions and attitudes, interaction among them often leads to conflicts. Conflict, which can occur at individual, group or organisation levels, discourages people from cooperating with each other. While some degree of conflict is desirable in organisations so as to promote the spirit of competition among employees, it jeopardizes the effective functioning of the organisation if it is allowed to persist for a long time. Therefore it becomes essential to resolve conflicts quickly. Though there are several methods available to resolve conflicts, the ideal way is through negotiation. Thus, in order to be effective, it is important that the manager possesses adequate negotiation skills.

Meaning of Conflict

Conflict may be defined as the disagreement between two or more individuals or groups

over an issue of mutual interest, Conflicts may arise between two parties when: one party (an individual or a group) feels that the actions of the other party will either affect its interests adversely or obstruct the achievement of its goals; the goals of both the parties differ significantly or are interpreted differently; or the basic values and philosophies of the two parties are different. Conflicts can range from small disagreements to violent acts.

Conflict may be defined as a situation in which there is a breakdown in decision making

owing to irrational and incompatible stand taken by one or all related to decision making. Thus conflict leads to disruption and incompatibility in the behaviour of the people. Conflict is the function of opposite views held by the parties in dispute. The conflict becomes worse when the people stick to their irrational stand. Managing conflicts does not mean merely containing them.

Conflict management involves anticipation of conflict devising means by which destructional conflicts can be avoided and when the conflict do occur overcoming them without creating problems for people and the organisation.

Sources of Conflict

□ **Organisation change:** Organisations undergo changes due to new technological political and social developments that affect them or due to change in the competitive forces.

As people may hold different views about change and the future direction of an organisation, conflict may arise.

□ **Personality clashes:** Individuals' personalities differ widely due to difference in their levels of maturity, emotional stability and their behaviour. When they do not recognize or appreciate these differences conflicts occur.

□ **Difference in value sets:** Different people have different opinions, values and beliefs. When people with contradicting values and beliefs interact with each other conflict is likely to occur. These conflicts are often irrational and difficult to be resolved.

□ **Threats to status:** Most individuals associate their identity with their status in society or the organisation. When an individual feels that another person's acts may harm or damage his image, which in turn may affect his status, conflict, is likely to arise.

□ **Perceptual difference:** People perceive different things, issues and their environment

differently. When they act as though their perception is the only reality, without attempting to understand or another person's view, conflict arise.

Classification of conflicts

Conflicts in all organisations occur when people fail to arrive at a consensus regarding the

organisational goals or the means to achieve them. Organisational conflict can be classified as follows:

Intra-personal Conflict:

According to most behavioural theories, people are motivated to achieve goals either when meeting the goals results in the satisfaction of a need or when the incentives for achieving the goal are attractive. However, this is not as simple as it seems. An individual may have conflicting needs or he may have to overcome many barriers to achieve his goals. Thus, the process of achieving goals is complicated one. In the process of achieving

his goals, an individual may experience stress and frustration and may face internal conflict. This is referred to as interpersonal conflict.

Interpersonal Conflict:

People always try to maintain their image and respect. When someone threatens their selfconcept, they try to retaliate and this leads to interpersonal conflict. Different individuals have different tolerance levels, and this depends on their personalities. Individuals with low tolerance levels get into interpersonal conflicts frequently. Often, interpersonal conflicts are the result of differences in perception and gaps in communication.

Inter Group Conflict:

In an organisation, people from different departments compete for limited resources such as funds, personal and support services. This competition often results in conflict. Sometimes conflict occur when one group attempts to take the entire credit for the successful completion of a task, to the completion of which another group may have also made significant contributions. Perceived inequitable treatment in matters of working conditions, rewards and status, in comparison to other groups can also lead to inter group conflict.

The Role of Conflict:

The approach to the organisational conflict is very simple and optimistic. The organization conflict is based on the following assumptions. Chris Argyris says that there is basic incongruence between the needs and characteristics of adult, mature employees and the requirements of the modern formal organisations. The behavioural approach has re-examined the concept and advocated the following assumptions

1. Conflict is inevitable.
2. Conflict is determined by the structure.
3. Conflict is integral to the nature of change.
4. A minimal level of conflict is optimal.

On the basis of these assumptions, the management of organisational conflict has taken several approaches.

Managing the Organisational Conflict:

Conflict cannot be managed simply. The three main strategies are avoidance, diffusion and confrontation.

Avoidance:

This is not facing conflict. People may use several mechanisms to avoid conflict. There are several methods used to avoid conflict. One way of avoiding conflict is ignoring the situation causing conflict. Another way is run away from the situation. This may be either physically or mentally. The third method is to accept all the demands of the parties. Avoidance strategies do not help the people in leadership positions. Leaders who avoid conflict are seen as incompetent and lack courage. Subordinates may create more conflicting situations to weaken the leader. However, issue once avoided may surface again. When the emotions are high, the conflict can be ignored. The issue

can be slowly taken up when the people involved in are in more congenial and harmonious mood. This strategy reduces the self-confidence of the people involved in resolving the conflict.

Diffusion:

The decision may be delayed until the tempers cool down. Diffusion may involve the focus on unnecessary issue to avoid the critical problem for sometime. This leaves the future uncertain and cause dissatisfaction to the people.

Confrontation:

Confrontation is facing conflict. Confrontation may involve negotiation and using authority. Authority may be used to sort out the conflict. This may satisfy one party and dissatisfy the other. Negotiation is another mechanism of collaboration which can be used to resolve the conflict.

Organizational Culture

You have already studied the individual personality and its impact on behaviour in unit II. Just as

individual has his / her own personality, so too does an organization. The organisational personality is called organizational culture. Just what organizational culture is, how it is created and maintained, how it is

learnt, and how it affects the employees' behaviour at work are discussed in this unit.

Concept of organizational culture

Schwartz & Davis: - Organisational Culture is a pattern of beliefs and expectations shared by the members of the organisation. These beliefs and expectations produce norms that powerfully shape the behaviour of individual and groups in the organisations.

Organisational Culture represents a complex pattern of beliefs, expectations, ideas, values, attitudes and behaviour shared by the members of the organisations.

Edgar Schein, defines organisational culture as "a pattern of shared basic assumptions that the group learned as it solved its problems of external adaptation and internal integration, that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think and feel in relation to those problems. It refers to a system of shared meaning held by members that distinguishes the organisation from another organisation."

Features of Organizational culture

Organisation culture is a common perception held by the organisation members. It helps the members to have a shared understanding of the organisation. It explains how things are done and the way the members are supposed to behave. The ten characteristics (GG Gordon and W McCummins 1979) listed below explain the organisation culture.

1. Individual initiative: It is degree of responsibility, freedom and independence given to the individuals.
2. Risk tolerance: The degree to which employees are encouraged to be aggressive, innovative and risktaking.
3. Direction: The degree to which the organisation creates clear objectives and performance expectation.
4. Integration: The degree to which units within the organisation are encouraged to operate in a coordinated manner.

5. Management Support: It is the degree the management supports the subordinates.
6. Control: The rules and regulations and the amount of direct supervision that is used to oversee and control employee behaviour.
7. Identity: The degree to which members identify themselves with the organisation.
8. Reward System: The degree to which compensation is based.
9. Conflict Tolerance: The degree to which employees are encouraged to vent out their criticism opinion freely.
10. Communication: The degree to which organisation communication is restricted to formal hierarchy.

Sources of culture

Culture is transmitted to employees in a number of forms like, stories, rituals, material symbols and language.

Stories: Stories typically contain a narration of events about the organisation founders, rule breaking, rags to richness successes, reduction in the work force, reallocation of employees, reaction to past mistakes etc. A security supervisor has to ensure the people entering organisation with a proper identity card. Even if the chairman of the company walks without identity card he has to be stopped although the security supervisor knows that he is the chairman. If the chairman obeys to get his identity card, this incident gives a clear message that no matter who you are, you have to obey rules. Such stories speak about the organisation culture.

Rituals: Rituals are repetitive sequences of activities that express and reinforce the key values of the organisation. Individuals who perform well are rewarded in annual meetings. Such annual reward meetings convey to the people of the organisation that achieving the targets and performing better through hard work is important. Such annual rituals help to learn the organisation culture.

Material Symbols: Organisations provide sports facilities for the employee enjoyment.

Organisation may arrange for the informal gatherings of all the employees. This conveys the value of openness and equality. The organisation may provide a car, a bungalow, a holiday in a foreign country, perks and dress etc. This conveys to the employee the importance of people in the organisation.

Language: Many organisations use language as a way to identify members of a culture or subculture. The members accept and preserve the culture by learning the language; Libraries are a rich source of terminology. Organisations develop unique terms to describe equipment, offices, key personnel, suppliers, customers, or products that relate to business. New employees may find it difficult in the beginning. However, after sometime, these terms become a part of the language. This language unites members of a given culture.

Maintaining organization culture

The ways in which an organisation functions and is managed may have both intended and unintended consequences for maintaining and changing organisational culture.

Methods of maintaining organisational culture

a. What Managers And Teams Pay Attention To- one of the most powerful methods of maintaining organisational culture involves processes and behaviours that managers, individual employees and teams pay attention to: that is the events that get noticed and commented on. The ways of dealing with these events sent strong messages to the employees on expected behaviours and important approaches.

b. Reactions To Incidents And Crises- When an organisation faces crises, the handling of those crises by managers and employees reveal a great deal about its culture. The manner in which the crises are dealt with can either reinforce the existing culture or bring out new values and norms that change the culture in some way.

c. Role Modelling, Teaching and Coaching- Aspects of organisational culture are communicated to employees by the way managers fulfil their roles. In addition, managers and teams may specifically incorporate important cultural messages into training programs and day-to-day coaching on the job.

d. *Allocation of Rewards And Status*- Employees also learn about the organisational culture through its reward systems. What is rewarded and what is punished convey to employees the priorities and values of both the individual managers and the organisation.

e. *Recruitment, selection, promotion and removal* - one of the fundamental ways in which the organisation maintains its culture is through recruitment. In addition, the criteria used to determine who is assigned to specific jobs or positions, who promotions and who is removed from the organisation through early retirement and so on, reinforce and demonstrate aspects of organisational culture.

f. *Rites, ceremonies and stories* - Rites and ceremonies are planned activities or rituals that have important cultural meaning. Many of the underlying beliefs and values of an organisation's culture are expressed as stories that become a part of its folklore. These stories transmit the existing culture from old to new employees and emphasize important aspects of that culture.

Types of culture

Cultural change involves tremendous amount of efforts and time and also need skilful

people to manage this change successfully.

1) Bureaucratic Culture

An organisation that values formality, rules, standard operating procedures and hierarchical coordination has a bureaucratic culture. Long-term concerns of bureaucracy are predictability, efficiency and stability. Behavioural norms support formality over informality. Managers view their role as good coordinators, organizers and enforcers of written rules and standards. Tasks, responsibilities and authority for employees are clearly defined. The organisation's rules and processes are spelled out in manuals and employees believe that their duty is to follow them.

2) Clan Culture

Tradition, loyalty, personal commitment, extensive socialization, teamwork, self-management and social influence are attributes of a clan culture. Its members recognize an obligation beyond the simple exchange of labour for a salary. They understand that contributions to the

organisation exceed beyond the contractual agreements. Loyalty is rewarded by security. Because the individuals believe that organization will treat them fairly in all respects and aspects, they hold themselves accountable to the organisation for their actions. Long-time clan members serve as mentors and role models for the newer members. These relationships perpetuate organisation's norms and values over successive generations of employees. In this type of a culture, members share a sense of pride in membership. They have a strong sense of identification and recognize the interdependence.

3) Entrepreneurial Culture

High levels of risk taking, dynamism and creativity characterize an entrepreneurial culture. There is a commitment to experimentation, innovation and being on the leading edge. This culture doesn't just react quickly to change in the environment-it creates change. Effectiveness means providing new and unique products and rapid growth. Individual initiative, flexibility and freedom foster growth and are encouraged and well rewarded.

4) Market Culture

The achievement of measurable and demanding goals, especially those which are financial and market based (eg., sales growth, profitability and market share) characterize a market culture. Hard-driving competitiveness and profit orientation prevail throughout the organisation.

5.60 Cross Culture Management

The border crossings of time and space, of nation- states economics and of organization of and industries focus increases attention on how culture facilitates global inter connections. For example, emerging information technologies expose us to cultural norms, values and behaviours of many nations; telecommunications provide access to much of the world and movies and music and the internet reflect behaviour that may differ from our own. Travel also exposes us to new experiences and different behaviour.

Thus, the impact of one author on the other is the subject matter of this lesson.

Global culture in MNC's Multinational Corporations

Most of the firms currently listed in the fortune 500 are multinational corporations- companies that maintain significant operations in two or more countries simultaneously.

While international businesses have been around for centuries, multinationals are a relatively recent phenomenon. They are a natural outcome of the global economy. Multinationals use their worldwide operations to develop global strategies. Rather than confining themselves to their domestic borders, they scan the world for competitive advantages. The result is that manufacturing; assembly, sales and other functions are being strategically located to give firm advantages in the marketplace. Managers of a multinational company confront a wealth of challenge. They face diverse political systems, law, and customs. But these differences create both problems and opportunities. It's obviously very difficult to manage. An operation that spans fifteen thousand miles and whose employees speak five different languages are located under a single roof where a common language is spoken. Differences create opportunities, and that has been the primary motivation for corporations to expand their worldwide operations.

If people were becoming more homogeneous, we could take a culture free approach to be justified at present for the following reasons:

- (1) there are differences in OB across national culture.
- (2) These differences explain a large proportion of the variance in attitudes and behaviours.
- (3) And for now at least and probably for a number of years to come, these differences are not decreasing at any significant rate. On the last point we might speculate that despite the tremendous increase in cross- culture communication, there continue to be unique country- specific traditions and customs that shape the attitudes and behaviour of the people in the those countries.

Assessing differences between countries:

American children are taught early the values of individuality and uniqueness. In contrast Japanese children are taught to be “team players” to work within the group, and to conform. A significant part of American students education is to learn to think, to analyse and to question. Their Japanese counterparts are rewarded for recounting facts. These different socialization practices reflect different types of employees. The average American worker is more competitive and self focused than is the Japanese worker. Predictions of employee behaviour based on samples of American workers are likely to be off- target when they are applied to a population of employees like the Japanese- who perform better in standardized tasks, as part of a team, with group- based decisions and rewards.

The Hofstede Framework

A more comprehensive analysis of cultural diversity has been done by Greet Hofstede. In contrast to most of the previous organisation studies, which either included a limited number of countries or analysed different companies in different countries. Hofstede surveyed over 116,600 employees in forty countries who all worked for a single multinational corporation. This database eliminated any difference that might be attributable to varying practices and policies in different companies. So any variations that he found between countries could reliably be attributed to national culture. His huge database confirmed that national culture had a major impact on employee’s work-related values and attitudes. More importantly, Hofstede found that manager and employees vary on four dimensions of national culture:

- (1) individualism versus collectivism
- (2) power distance
- (3) uncertainty avoidance and
- (4) quantity versus quality of life. (Actually, Hofstede called this fourth dimension masculinity versus femininity, but we’ve changed his terms because their strong sexist connotation).

Individualism vs. Collectivism

Individualism refers to a loosely knit social framework in which people are chiefly supposed to take care of their own interests and those of their immediate family. This is made possible because of the large amount of

freedom that such a society allows individuals. Its opposite is collectivism, which is characterized by a tight social framework in which people expect others in groups to which they belong (such as an organisation) to look after them and protect them when they are in trouble. In exchange for this security, they feel they owe absolute loyalty to the group. Hofstede found that the degree of individualism in a country is closely related to that country's wealth. Rich countries like the United States Great Britain and the Netherlands are very individualistic. Poor countries like Colombia and Pakistan are collectivists.

Power Distance

People naturally vary in their physical and intellectual abilities. This in turn creates difference in wealth and power. Hofstede used the term power distance as a measure of the extent to which a society accepts the fact that power in institutions and organisations is distributed unequally. A high- power- distance society accepts wide differences in power in organisations. Employees show a great deal of respect for those in authority. Titles, rank and status carry a lot of weight. When negotiating in high-power-distance countries, companies find that it helps to send representatives with titles at least as high as those with whom they're bargaining. Countries high in power distance include the Philippines, Venezuela and India. In contrast, a low-power- distance society plays down inequalities as much as possible. Superiors still have authority, but employees are not afraid of the boss. Denmark, Israel, and Austria are examples of countries with low power-distance scores.

Uncertainty Avoidance:

We live in world of uncertainty. The future is largely unknown and always will be. Societies respond to this uncertainty in different ways. Some societies are more or less comfortable with risks. They're also relatively tolerant of behaviour and opinions that differ from their own because they don't feel threatened by them. Hofstede describes such societies as having low uncertainty avoidance; that is people feel relatively secure. Countries that fall into this category include Singapore, Hong Kong and Denmark.

A society high in uncertainty avoidance is characterised by a high level of anxiety among its people, which manifests itself in nervousness, stress and aggressiveness. Because people feel threatened by uncertainty and ambiguity in these societies, mechanisms are created to provide security and reduce risk. Organisations are likely to have more formal rules, there will be less tolerance for deviant ideas and behaviours, and members will strive to believe in absolute truths. Not surprisingly, in organisations in countries with high uncertainty avoidance, employees demonstrate relatively low job mobility and lifetime employment is a widely practiced policy. Countries in this category include Japan, Portugal, and Greece.

Quantity Vs. Quality of Life.

The fourth dimension, like individualism and collectivism, represents a dichotomy. Some

cultures emphasise the quantity of life and value things like assertiveness and the acquisition of money and material things. Other cultures emphasise the quality of life, the importance of relationships, and show sensitivity and concern for the welfare of others. Hofstede found that Japan and Austria scored high on the quality dimension. In contrast, Norway, Sweden, Denmark, and Finland scored high on the quantity dimension.

Countries culture on Hofstede frame work

Comparing the forty countries on the four dimensions, Hofstede found U.S. culture to rank as follows:

- ☐ Individualism - collectivism = Highest among all countries on individualism
- ☐ Power distance = Below average
- ☐ Uncertainty avoidance = well below average
- ☐ Quantity – quality = well above average on quantity.

These results are not inconsistent with the work image of the United States. The below-average score on power distance aligns with what one might expect in a country with a representative type of government with democratic ideals.

In this category, the United States would rate below nations with a small ruling class and a large powerless set of subjects, and above those nations with very strong commitments to egalitarian values. The well-below-

average ranking of uncertainty avoidance is also consistent with the representative type of government having democratic ideals.

Americans perceive themselves as being relatively free from threats of uncertainty. The individualistic ethic is one of the most frequently used stereotypes to describe Americans and based on Hofstede's research, the stereotype seems well founded. The United States was ranked as the single most individualistic country in his entire set. Finally the well-above-average score on quantity of life is also no surprise.

Capitalism which values aggressiveness and materialism-is consistent with Hofstede's quantity characteristics.

The United States is strongly individualistic but low on power distance. This same pattern was exhibited by England, Australia, Sweden, the Netherlands and New Zealand. Those least similar to the United States on these dimensions were Venezuela, Colombia, Pakistan, Singapore and the Philippines.

The United States scored low on uncertainty avoidance and high on quantity of life. The same pattern was shown by Ireland, the Philippines, New Zealand, India, and South Africa. Those least similar to the United States on these dimensions were Chile, Yugoslavia, and Portugal.