



THE
APOSTOLIC
COLLEGE

LEADERSHIP | SCHOLARSHIP | CITIZENSHIP

LEADERSHIP AND ORGANIZATIONAL BEHAVIOR

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UNIT 1: THE FIELD OF ORGANIZATONAL BEHAVIOR / HISTORICAL BACKGROUND OF ORGANIZATIONAL BEVAHIOR (OB)

Organizational behavior (OB) is a field of study which deals with what people think, feel and do in and around organizations. The field studies individuals, teams and structural characteristics that influence behavior within organizations. OB scholars try to understand and predict how these behaviors help companies to succeed (McShane et al, 2000).

To understand OB very well there is the need to know what is referred to as an organization. Organizations are group of people who work interdependently toward some purpose. Organizations are not buildings or other physical structures rather they are people who work together to achieve a set of foals. Employees have structured patterns of interactions, meaning that they expect each to complete certain task in a coordinated way – in an organized way (McShane et al, 2000).

Hellriegel et al (1992) also define OB as the study of human behavior, attitudes and performance within organizational settings. It is an interdisciplinary field, drawing concepts from social and clinical psychology, sociology, cultural anthropology, industrial engineering and organizational psychology.

By saying that OB is a field of study means that scholars have accumulating a distinct knowledge about behavior within organizations. By most estimates, OB emerged as a distinct field around the 1940s. However, its origin can be traced much further back in time. Plato, the Greek Philosopher, wrote about equity in work relationships. Another Greek Philosopher, Aristotle, spoke about the elements of persuasive communication. The writings of the 16th century Italian Philosopher Niccolo Machiavelli laid the foundation for contemporary work on organizational power and politics. In 1777, Adam Smith advocated a new form of organizational structure based on the division of labor. One hundred years later, German Sociologist Max Weber wrote about rational organizations and initiated the discussion of charismatic leadership. Soon after, Frederick Winslow Taylor introduced the systematic use of goal setting and rewards to motivate employees (Scientific Management). In the 1920s productivity studies at Western Electric's Hawthorne plant reported that informal organizations – employees casually interacting with each other – operates alongside the formal organization. So OB ideas have been around for a long time; they were not organized into a unified discipline until after the World War II.

Certainly, large numbers of people have been doing work for a long time. Pyramids and many other huge monuments and structures were built, armies and governments were organized and systematic approaches to management and organizations did evolve and were transmitted to others. But the primary influences in organizations and management today stems from more recent events.

Some would claim that to begin to understand our organizations today we need to look at the Protestant Reformation and the Protestant Ethics. A new ethic began to evolve an ethics that shifted the orientation of one's life from the "next world" to this world. This ethic is best embodied in quotes from Luther ("All men possess a calling in the world and the fulfillment of its obligation is a divinely imposed duty") and Calvin ("Disciplined work raises a person above the calling into which he was born and is the only sign of his election by God to salvation ..."). "The soul is naked before God without Church or communion – religion is a personal matter worldly success and prosperity are construed as signs of God's approval").

Over time, the Protestant Reformation provided an ideological foundation for the modern industrial society by suggesting that work is now a profound moral obligation, a path to eternal salvation. The focus is this world and materialism, not next world. The individual's obligation is self-discipline, and systematic work. It should be clear that the factory system which began to evolve late in the 18th Century could never have flourished without the ideological underpinnings of this profound shift in philosophy as exemplified by the Protestant Ethics.

Scientific Management: The Industrial Revolution that started with the development of steam power and the creation of large factories in the late eighteenth century led to great changes in the production of textiles and other products. The factories that evolved created tremendous challenges to organization and management that had not been confronted before. Managing these new factories and later new entities like railroads with the requirement of managing large flows of material, people, and information over large distances created the need for some methods for dealing with new management issues.

The most important of those who began to create a science of management was **Frederick Winslow Taylor**, (1856-1915). Taylor was one of the first to attempt to systematically analyze human behavior at work. His model was the machine with its cheap, interchangeable parts, each engineer had done to machines and this involved making individuals into the equivalent of machines parts. Just as machine parts were easily interchangeable, cheap, and passive, so too should the human parts be the same in the "Machine model" of organizations.

This involved breaking down each task to its smallest unit and to figure out the one best way to do each job. Then the engineer, after analyzing the job should teach it to the worker and make sure the worker does only those motions essential to the task. Taylor attempted to make a science for each element of work and restrict behavioral alternatives facing worker. Taylor looked at interaction of human characteristics, social environment, task, and physical environment, capacity, speed, durability, and cost. The overall goal was to remove human variability.

The results were profound. Productivity under Taylorism went up dramatically. New departments arose such as industrial engineering, personal, and quality control. There was also growth in middle management as there evolved a separation of planning from operations. Rational rules replaced trial and error; management became formalized and efficiency increased. Of course, this did not come about without resistance. First the old line managers resisted the notion that management was a science to be studied not something one was born with (or inherited). Then of course, many workers resisted what some considered the “dehumanization of work”. To be fair, Taylor also studied issues such as fatigue and safety and urged management to study the relationship between work breaks, and the length of the work day and productivity and convinced many companies that the careful introduction of breaks and a shorter day could increase productivity. Nevertheless, the industrial engineer with his stop watch and clip-board figure and lead to much sabotage and group resistance.

The core elements of scientific management remain popular today. While a picture of factory around 1900 might look like something out of Dickens, one should not think the core concepts of scientific management have been abandoned. They haven't. They have merely been modified and updated. While many people think of bureaucracy in negative terms, this model in its pure form was a dramatic improvement over the previous model of organization which was a feudal model based on fixed status and position by birth, not merit and unquestioned authority.

Human Relations Movement: Despite the economic progress brought about in part by Scientific Management, critics were calling attention to the “seamy side of progress,” which included severe labor/ management conflict, apathy, boredom, and wasted human resources. These concerns led a number of researchers to examine the discrepancy between how an organization was supposed to work versus how the worker actually behaved. In addition, factors like World War I, developments in psychology (for example, Freud) and later the depression, all of the primary critics of the time, Elton Mayo, claimed that this “alienation” stemmed from the breakdown of the social structures caused by industrialization, the factory system, and its related outcomes like growing urbanization.

The Western Electric (Hawthorne Works) Studies (1923-1933) Cicero, ILL: The most famous of these studies was the Hawthorne Studies which showed how work groups provide mutual support and effective resistance to management schemes to increase output. This study found that workers didn't respond to classical motivational approaches as suggested in the rewards and punishments of their own work groups. These studies, conducted in 1920's started productivity. The results of the studied led researchers to feel that they were dealing with socio-psychological factors that were not explained by classic theory which stresses the formal organization and leadership. The Hawthorne Studies helped us to see that an organization is more than a formal arrangement of functions but also a social system. We can see below a comparison of traditional assumptions vs. a newer "human relations" view.

Traditional Assumptions

- People try to satisfy one class of need at work: economic need
- No conflict exists between individual and organizational objectives
- People act rationally to maximize rewards
- We act individually to satisfy individual needs

Human Relations Assumptions

- Organizations are social system, not technical economic systems
- We are motivated by many needs
- We are not always logical
- We are interdependent; our behavior is often shaped by the social context
- Informal work group is a major factor in determining attitudes and performances of individual worker
- Management is only one factor affecting behavior; the informal group often has a stronger impact
- Job roles are more complex than job descriptions would suggest; people act in many ways not covered by job descriptions
- There is no automatic correlation between individual and organizational needs

- Communication channels cover both logical/ economic aspects of an organization and feelings of people
- Teamwork is essential for cooperation and sound technical decisions
- Leadership should be modified to include concepts of human relations
- Job satisfaction will lead to higher productivity
- Management requires effective social skills, not just technical skills

Results of the Hawthorne Studies and the related research

These studies added much to our knowledge of human behavior in organizations and created pressure for management to change the traditional ways of managing human resources. The Human Relations Movement pushed managers toward gaining participative support of lower levels of the organization in solving organizational problems. The Movement also fostered m... open and trusting environment and greater emphasis on group rather than just individuals.

Douglas McGregor's Theory X and Theory Y

Douglas McGregor was one of the great popularizers of Human Relations approach with ... Theory X and Theory Y. in his research he found that although many managers spouted the rigorous ideas, and indicated a series of assumptions that McGregor called Theory X. however, research seemed to clearly suggest that these assumptions were not valid but rather a different series of notions about human behavior seemed more valid.

In Theory X:

- Work is inherently distasteful to most people and the average worker is lazy and will try to do as little as possible.
- Most people are not ambitious, have little desire for responsibility, and prefer to be directed and supervised closely.
- Most people have little capacity for creativity in solving organizational problems.
- Motivation occurs only at the physiological and security levels
- Most people must be closely controlled by means of “carrot and stick” (rewards and punishments).

In Theory Y:

- Workers are not inherently lazy, do not naturally dislike work and if given the opportunity will do what is good for the organization.
- Work is as natural as play is the conditions are favorable
- Self-control is often indispensable in achieving organizational goals
- The capacity for creativity is spread throughout organizations
- Motivation occurs at affiliated, esteem, and self-actualization levels, not just security and physiological levels
- People can be self-directed and creative at work if properly motivated.

LEADERSHIP DEFINED

In essence, leadership is a broader concept than management. Management is a special kind of leadership in which the achievement of organizational goals is paramount. The important distinction between the two, therefore, lies in the terms organization goals. Our definition of leadership is that leadership occurs whenever one person attempts to influence the behavior of an individual or group, regardless of the reason. It may be for one's own goal or for the goals of others, and these goals may not be congruent with organizational goals.

Distinction between Management and Leadership

Warren Bennis, a highly regarded leadership scholar, differentiate the extremes of management and leadership in a number of provocative ways:

Leaders conquer the context – the volatile, turbulent, ambiguous surroundings that sometimes seem to conspire against us and will surely suffocate us if we let them – while managers surrenders to it. The manager administrates; the leader innovates. The manager is a copy; the leader is an original. The manager maintains; the leader develops. The manager focuses on systems and structures; the leader focuses on people. The manager relies on control; the leader inspires trust. The manager has a short-range view; the leader has a long-range perspective. The manager asks how and when; the leader asks what and why. The manager has an eye on the bottom line; the leader has his eye on the horizon. The manager imitates; the leader originates.

The manager accepts the status quo; the leaders challenge it. Managers do things right; leaders do the right thing.

Are management and leadership really necessary?

Perhaps the concerns felt by people are such that leadership and management cannot effect change or solve problems.

Every concern is the result of ineffective leadership and management, and can be corrected by enlightened leadership and management. This brings us to a central theme of this book. The effective management of human organizations comes down to the one-on-one or one-on-a-group influence process. Performance starts with this essential building block.

The center of a modern society is the managed institution. The managed institution is society's way of getting things done these days. In addition, management is the specific tool, the specific function, and the specific instrument to make institutions capable of producing results.

The institution, in short, does not simply exist within and react to society. It exists to produce results on and in society.

LEADERS AS VISION CREATORS

“Leadership is making what you believe in ... happen”. Leadership is also seen as the efforts of courageous men and women making what they believe in happen under extremely challenging conditions. They had a vision and acted upon this vision to make their aspirations and the aspirations of others happen.

Leaders must know where they are going if they are to achieve their purpose. Today, just as thousands of years ago, without a vision, persons and organizations perish. Therefore, leaders must be vision creators. This is an immensely powerful and far-reaching idea. Visioning defines leadership. It is fundamental to the process of leading organizations.

Warren Bennis observed that “the single defining quality of leaders is their ability to create and realize a vision.” Marshall Loeb said, “All the leaders I know have a strongly defined sense of purpose. And when you have an organization where people are aligned behind a clearly defined vision or purpose, you get a powerful organization”. It is the responsibility; one might even say the duty, of top management to create a vision for the organization and to articulate this vision so it turns into concrete strategies, solid management systems, and informed resources allocations that enable an organization to accomplish results.

Results are a key focus. Initially, in primary emphasis is one result from individual and group perspective. The emphasis shifted to more of a focus on organization. For example, the discussion of organizational performance and the ACHIEVE model in the Building Commitments model and approaches to planning and implementing change are directly concerned with achieving results. Leadership to Achieve Quality, The Organizational Cone; and Leadership Strategies, Organizational Transformation, bring all of the key elements of individual groups, and organizations together to suggest important ways of achievement peak of performance.

Before we look at trait, attitudinal, and situational approaches to leadership, we must place organizational leadership into a broad context. We will do this by introducing two powerful models: the SOAR Peak Performance model and the Vision to Results (VTR) model. Each model, we believe, offer an important perspective that will highlight and interrelate many of the variables affecting performance.

Are Leaders Born or Made?

Whether leadership can be learnt is an issue that has perplexed researchers for decades and one that has important implications for the readers of this book. Is leaders are born, why spend time reading and developing your skills? Your leadership success or failure has already been determined. If leaders are made, then everyone can become a leader, and there is hope for all of us. As Jay Conger suggests, “These perspective are quite difference, and their implications for the training and development of leaders are profoundly different. If leadership ability is genetically determined, training could hardly play a role in its development. But if leadership is learned through experience, training might well be used to develop new skills and to help synthesize past experiences into useful insights”.

Our position, and that of almost all other leadership researchers as well, is that leaders are both born and made, particularly within the broad context of leadership that have adopted. We will discuss some of the traits that may contribute to and facilitate leadership effectiveness, such as intelligence, physical energy, and social potential. But formal and informal effectiveness also play a critical role; in particular, “Work experience, hardship, opportunity, education, role models and mentors all go together to craft a leader”. We believe that learning and practicing the leadership skills presented in this book will enhance every potential leader’s effectiveness.

THREE COMPETENCIES OF LEADERSHIP

Leading or influencing requires three general skills, or competencies:

1. *Diagnosing*: understanding the situation you are trying to influence;
2. *Adopting*: altering your behavior and the other, resources you have available to meet the contingencies of the situation; and
3. *Communicating*: interacting with others in a way that people can easily understand and accept.

We will discuss each of these competencies in greater detail in subsequent chapters, but for now here is a brief summary of each.

- *Diagnosing is a cognitive – or cerebral – competency.* It is understanding what the situation is now and knowing what you can reasonably expect to make it in the future. The discrepancy between the two is the problem to be solved. The discrepancy is what the other competencies are aimed at resolving.
- *Adopting is a behavioral competency:* It involves adopting your behaviors and other resources in a way that helps close the gap between the current situation and what you want to achieve.
- *Communicating is a process competency:* Even if you are able to understand the situation, even if you are able to adopt behavior and resources to meet the situation, you need to communicate effectively. If you cannot communicate in a way that people can understand and accept, you will be unlikely to meet your goals.

SKILLS OF MANAGER

There is general agreement that at least three areas of skills are necessary for the process of management: technical, human and conceptual.

- *Technical skills:* Ability to use knowledge, methods, techniques, and equipment necessary for the performance of specific tasks; acquired from experience, education, and training.

- *Human skills:* Ability and judgment in working with and through people. This includes an understanding of motivation and an application of effective leadership.
- *Conceptual skills:* Ability to understand the complexities of the overall organization and where one's own operation fits into the organization. This knowledge permits one to act according to the objectives of the total organization rather than only on the basis of the goals and needs of one's own immediate group.

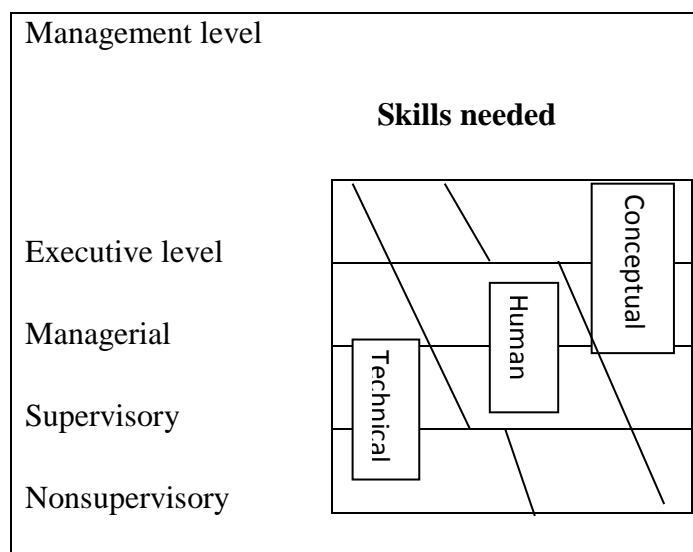
The appropriate mix of these varies as an individual advances in management from supervisory to top management positions. The relationship between management level and skills needed is illustrated in Figure 1.

Proportionately less technical skills tends to be needed as one advances from lower to higher levels in the organization, but more conceptual skills is necessary. Supervisors at lower levels need considerable technical skills because they are often required to train and develop technicians and other employees in their sections. At the other extreme, executives in a business organization do not need to know how all these functions are interrelated in accomplishing the goals of the total organization. This ability is particularly important because the executives' focus at the higher organizational level is increasingly more external and global.

The amount of technical and conceptual skills needed at these different levels of management varies; the area of human skills appears to be crucial at all levels.

Figure 1

Management skills necessary at various levels of an organization



ORGANIZATION AS SOCIAL SYSTEMS

Although the emphasis will be on human skills development, we must recognize that the organizations in which managers operate are social systems comprising many interrelated subsystems, only one of which is a human / social subsystem. The others could include administrative/structural subsystems, an informational/decision-making subsystem, and an economic/technological subsystem.

The focus of the administrative/structural subsystem is on authority, structure, and responsibility within the organization: “who does what for whom” and tells whom to do what, how, when, where, and why”. The information/decision-making subsystem emphasizes key decisions and their informational needs to keep the system is the work to be done and the cost effectiveness of that work within the specific goals of the organization.

Although the focus of the human/social subsystem is on the motivation and need of the members of the organization and on the leadership provided or required (the major emphasis of this book), it should be emphasized that within a subsystem approach there is a clear understanding that changes in one subsystem affect changes in other parts of the total subsystem. As illustrated in Figure 2, if the total system is healthy and functioning well, each of its parts or subsystems is effectively interacting with the others. Therefore, an organization over a sustained period of time cannot overemphasize the importance of one subsystem at the expense of the others. At the same time, the internal management of the organization cannot ignore the needs and pressures from the external environment.

INGREDIENTS FOR EFFECTIVE HUMAN SKILLS

If one accepts the fact that human skills development is important, one may ask what kind of expertise managers and leaders must have in order to influence the behavior of other people. We feel that managers need three levels of expertise. They must understand past and current behavior, be able to predict behavior, and learn to direct, change, and control behavior.

Understanding Behavior

First, managers need to understand why people behave as they do. To get things done through other people, you have to know they engage in certain characteristic behavior.

What motivates people? What produces the patterns of behavior that are characteristic of individuals or groups? Motivation and its causes are the areas on which most of the literature in

the behavioral sciences focuses. In both popular and scholarly books and periodicals, there are literally hundreds of different classifications that are useful in communicating the patterns of behaviors that describes individuals and groups interacting with other people. We can say a person is energetic or distracted or is a task leader or a team leader, and so on. All these are useful classifications for communicating to others why an individual or group is behaving in certain ways.

THE CHALLENGES OF LEADING AN ORGANIZATION

The course is special skills that we need to meet those challenges. It presents fundamental behavioral science concept and theories and simple-to-use behavior science techniques.

Some concepts in the behavioral sciences give you some good idea to think about, but they do not always tell you or when to put those ideas into practice in the management of human organizations. We have all seen people who just show up in leadership and management situations. But success requires much more than just showing up. We believe that it requires the knowledge and application of tested behavioral science concepts, plus the “timing” skills to get things done. This book will help you not only to acquire these knowledge but also to develop the skills necessary to be a high-performing leader.

Leading, influencing the behavior of others, is not a single event. Leadership and management are full time responsibilities that must be practiced every hour of every day. Each minutes must be spent wisely. Of course, doing so is not easy. Leadership and management, because they involve the complexities of people, almost defy description and understanding. We have all known courageous men and women who have provided and energy to make things happen in very difficult situations. But even after decades of research, we are still unable to identify with certainty the specific causal factors that determine leadership and management success at a specific causal factor that determine leadership and management success at a specific time and place. This is because real-life situations are never static. They are constantly changing, with many factors or variables interacting at the same time. Consequently, the behavioral sciences, unlike the physical sciences, deal in probabilities. Our purpose then is to help increase the odds in your favor, not to suggest rules. In the behavioral sciences, there are no rules.

What has long been needed is an approach to leadership and management that is both conceptually sound and practical in application. We have found-through our research and writing, our conversations with thousands of manages throughout the world, our consulting and seminars – that most people want an easy-to-grasp approach that is broad enough in scope to

permit its application to different organizations and situations. Such an approach would promote a common understanding and language that would make it possible for managers to work a together and act upon the problems they experience in managing their human resources. In developing these ideas and skills, we wanted to build upon the considerable legacy of the behavioral sciences by using common language to managers could easily master the key ideas and skills. Situational Leadership provides such a common language to help solve performance problems. It provides a valuable language that can be used on the job, in the home, and in every leadership situation. It provides a common language we can use to diagnose leadership problems to adapt behavior to solve those problems, and to communicate solutions.

It is human nature to react to problems in an emotional way. Situational Leadership provides a model for talking about performance problems in a rational way that focuses on key issues involved. We also wanted to present an approach that is intuitively valid and that is based on empirical evidence. The acceptance that Situational Leadership has received for more than 60 years has indicated to us that this approach is easily understood, accepted and implemented at all levels of organizations. It is a fundamental approach to the management of organizational behavior.

In summary, despite changes in concepts of organization, successful leadership is fundamentally determined by leader-follower interaction in the pursuit of goal accomplishment, readiness assessment, leadership intervention appraisal of the results of this intervention, and effective follow-up ... all essential elements of Situational Leadership.

UNIT 2: LEADERSHIP IN ORGANIZATIONS

Leading is one of the four (4) functions of management which involves articulating a clear vision to energize and enable organizational members so that they understand the part they play in achieving organizational goals (Jones et al 2004). According to Hunt (1992), leadership is a process involving the leader, led, task and situation and indeed, this is a good starting point in understanding the meaning of leadership. Leaders are often human symbols of successful endeavor in organizations; hence, being role models for the more junior and aspiring evaluation and explanations of leadership is the domain of theorist and researchers who offer organizations a range of approaches or theories, which may be said to evolve from the changing expectations of organizations.

Leadership is therefore, a process by which a person exerts influence over other people, inspires, motivates and directs their activities to help achieve group or organizational goals. The person who exerts such an influence is a leader. When leaders are effective the influence they exert over others help a group(s) or organization(s) to achieve its performance goals. On the other hand, if leaders are ineffective, their influence does not contribute to and often detracts from goal attainment. Leadership depends on the use of power, influence, vision, persuasion and communication skills to coordinate the behavior of individuals and groups so that their activities and efforts are in harmony. Leadership encourages employees to perform at a high level to achieving targeted goals (Jones et al 2004:9).

The 12 golden rules of leadership

1. Set good examples: Your subordinates will take their cues from you.
2. Give your people a set of objectives and a sense of direction: They want to know not only what they are doing but why.
3. Keep your people informed of new developments at the company and how they will affect them.
4. Ask your people for advice: Let them know that they have a say in your decisions; whenever possible make them feel that a problem is their problem too.
5. Let your people know you support them. There is no greater morale killer than a boss who resents subordinate's ambition.
6. Do not give orders but suggest, direct and request.

7. Emphasis skills not rules, judge results not methods. Let employees improve his/her judgment methods.
8. Give credit where credit is due: Appreciation for a job well done is the most appreciated fringe benefit.
9. Praise in public. This is where it will do the most good.
10. Criticize in private.
11. Criticize constructively. Concentrate on correction, not blame.
12. Make it known that you welcome new ideas. No idea is too small for a hearing or too wise for consideration.

Seven sins of leadership in organization

1. Trying to be liked rather than respected. Do not accept favors from your subordinates.
2. Failing to ask subordinates for their advice and help.
3. Failing to develop a sense of responsibility in subordinate – allow freedom of expression when you give responsibility. Give authority too. Hold subordinates accountable for results.
4. Emphasizing rules rather than skills.
5. Failing to keep criticisms constructive.
6. Not paying attention to employees' grips and complaints; explain the grievance machinery grant a hearing, and do not render a hasty or biased judgment.
7. Failing to keep people informed (Nickel et al. 2000: 215).

LEADING IN ORGANIZATIONS

Leading means creating a vision for the organization and guiding, training, coaching and motivating other to work effectively to achieve the organization's objectives. The trend is to empower employees, give them as much freedom as possible to become self-directed and self-motivated. Often, that means working in teams. Teamwork aids communication, improves cooperation, reduces internal competition and maximizes the talents of all employees on a

project. The traditional concept of managers as directors is giving ways to that of manager as team leaders. Leading organization involves the following:

Planning: The first managerial function, involves setting the organizational vision, goals and objectives. Leaders are expected to create a vision for the firm. A vision is more than a goal: it is the largest explanation of why the organization exists and where it is trying to head. A vision gives the organization a sense of purpose and a set of values that, together, unite workers in a common destiny. Managing organizations without a vision can be counterproductive. Usually, employees work with managers to design a mission statement that reflects the organization's vision. A mission statement outlines the fundamental purpose of the organization (Nickels, 1999: McHugh, 2000). The mission statement becomes the foundation for setting goals and training employees. Goals are broad long-term accomplishments an organization wishes to attain. Goals need to be mutually agreed on by workers and management. Thus, goals getting are always a team process.

Objectives are specific short-term statements detailing how to achieve the goals. Planning is continuous process. It is unlikely that a plan that worked yesterday would not be successful n today's market. Planning answers the questions of who, where, when, and what to do, for example, who are our competitor? These questions are part of what is called SWOT analysis- an analysis of an organizations strength, weakness, opportunities and threats.

- Where do we want to go?
- How can we go there?

Types of planning

- a. *Strategic planning (long-range):* Planning determines the major goals of the organization as well as the policies, procedures and strategies for obtaining and using resources to achieve those goals. Policies are broad guidelines to action and strategies determine the best way to use resources. At strategic planning stage, the company decides which customer to serve, what product or services to sell and the geographic area in which the firm will compete.
- b. *Tactical planning (short-term):* Planning is the process of developing detailed, short-term strategies about what is to be done, who is to do it and how it is to be done. Tactical planning is normally done by managers or teams of managers at lower level of the organization, whereas the strategic planning is done by the top managers of the firm.

Tactical planning involves setting annual budgets and deciding on the other details and activities necessary to meet the strategic objectives.

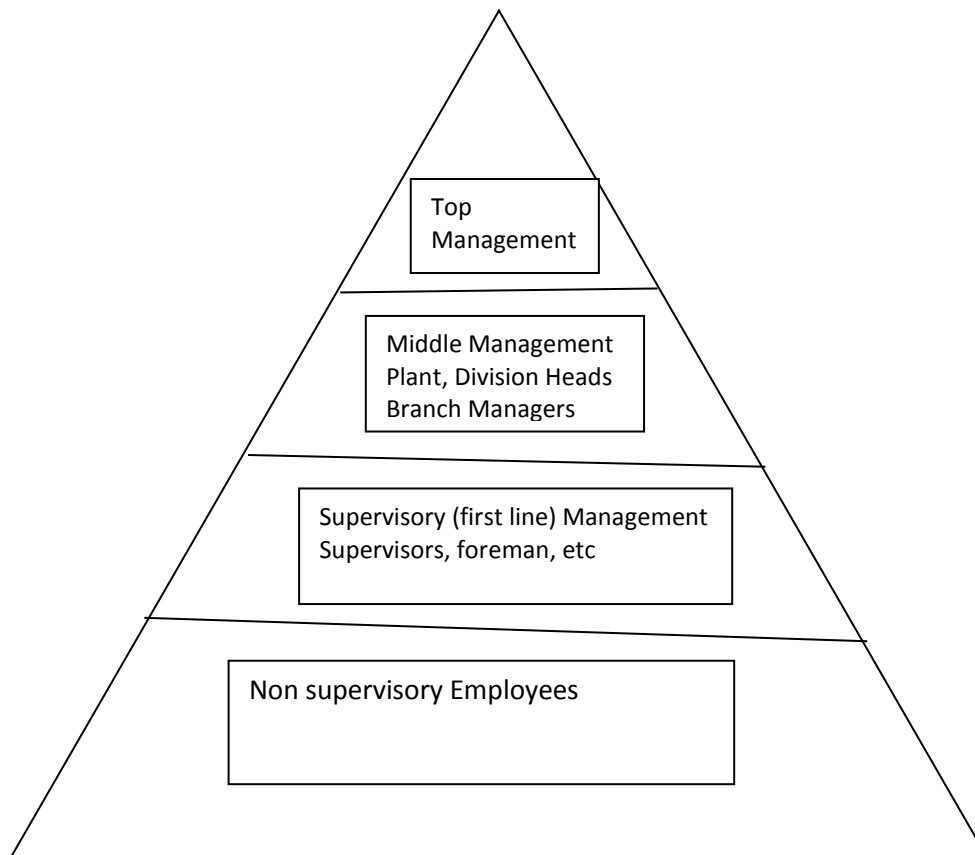
- c. *Operational planning*: Is the process of setting work standards and schedules necessary to implement the tactical objectives, for example, setting specific dates for certain truck parts to be completed and the quality demanded.
- d. *Contingency planning*: Is the process of preparing alternative courses of action that may be used if the primary plans do not achieve the organization's objectives. The economic and competitive environments changed so rapidly that is wise to have alternative plans of action ready in anticipation of such changes.

Organizing function of a leader: This means creating a unified system. After the managers have planned a course of action they must organize the firm to accomplish the goals. Basically, organizing means allocating resources, assigning tasks and establishing procedures for accomplishing organizational objectives. When an organization's manager develops a structure or framework that relates all workers, tasks and resources to one another, that framework is called organizational structure. Most organizations draw a chart showing the company's internal relationships. This is called organizational chart or organogram. The organizational chart outlines who reports to whom and who is responsible for each task. Corporate hierarchy may include top, middle and first-line managers.

Top Management: this highest level of management – consisting of the President and other key company executive who develop company strategic plans, for example, Chief Executive Officer (CEO), Chief Operating Officer (COO) and Chief Financial Officer (CFO). The CEO is often is often the President.

Middle Management includes general managers, divisional managers and branch managers (in Universities, Deans and Departmental Heads) who are responsible for tactical planning and controlling. Supervisory (first-line) management includes those who are directly responsible for supervising workers and evaluating their daily performance: they are often known as first line managers.

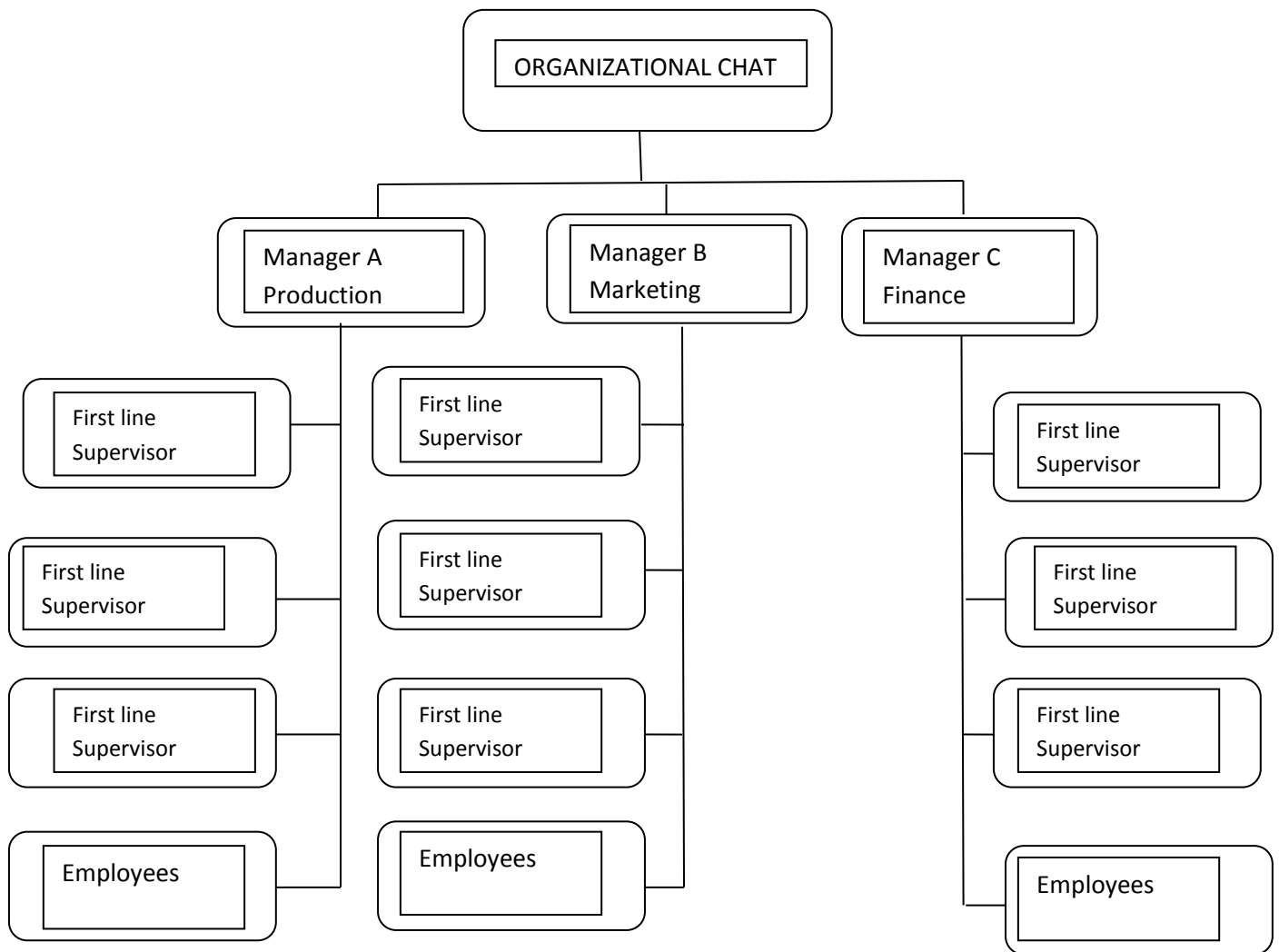
MANAGEMENT LEVELS



- Having a vision and rallying others around that value - be sensitive to be concern of his followers.
- Establish corporate values: they include a concern for employees, customers, and for the quality of the Company's products.
- Emphasize corporate ethics: Ethics include an unfailing demand for honesty and insistence that everyone in the company get treated fairly.
- Do not fear change but embrace it. That is transforming they way company does business so that is becomes more effective and efficient.

In leading an organization, a leader must create a learning organization: a learning organization is an organization skilled at creating, acquiring, interpreting, retaining and transferring knowledge. It also purposefully modifies its behavior based on knew knowledge, including that which it gains from making mistakes.

ORGANIZATIONAL CHAT



Companies are no longer organizing to make it easy for managers to have control. Instead, they are organizing for customers to have more influence. The change to customer orientation is aided by technology, for example, establishing dialogue with customers on the internet. However, progressive managers empower their employees to make decisions on their own. Empowerment means giving employees the authority and responsibility to respond quickly to customer requests. Here the manager's role is less of a boss and more of a coach, assistant, counselor or team member. Enabling is the term used to describe giving workers the education and tools they need to assume their new decision-making power. The organizing function of a leader includes directing activities of workers or employees. However, in some books, this function is regarded as a separate function of managers.

Controlling function of a leader in an organization: The controlling function involves measuring performance relative to objectives and standards and the taking corrective actions

when and where necessary. Controlling process is the heart of management system because it provides the feedback that enables the managers and employees to adjust to any deviations from plans and to changes in the environment that have affected performance.

Controlling consists of five steps:

1. Setting clear performance standards.
2. Monitoring and recording actual performance.
3. Comparing results and deviations to the employees involved.
4. Communicating results and deviations to the employees involved.
5. Taking corrective actions when needed. To measure results against standard, standards must be specific, attainable and measureable. Vague goals and standards such as better quality, more efficient and improve performance are not enough.

The following examples of goals and standards are recommended. Cutting the number of finished product rejects from 10 per 1,000 by May 31, 2007. Also establish clear procedures for monitoring performance.

The new criteria for measurement are customer satisfaction, (which are both internal and external customer). Internal customers are individuals and units within the firm that receive services from other individuals or units, for example, field sales people are the internal customers of marketing of marketing research people who prepare research reports for them. External customers include dealers who buy products to sell to others and other customers who buy some of their products.

Human relations functions of a leader: This involves a leader's relationship with the people in the organization. A leader should be an inspiration to colleagues and subordinates. The appearance of a leader should motivate 'the people' to give off their best. A leader should have a good interpersonal relationship involving industrial relations and skills. A leader will fail if he or she does not carry out the human relations function well. Planning, organizing and controlling functions of a leader are all useless if the leader does not perform well in his or her human relations function.

Other leading roles are:

- Having a vision and rallying others around that value - be sensitive to the concerns of followers.

- Establish corporate values: They include an unfailing demand for honesty insistence that everyone in the company gets treated fairly.
- Do not fear change but embrace it. That is transforming the way the company do business so that it becomes more effective and efficient.

In leading an organization, a leader must create a learning organization. A learning organization is an organization skilled at creating, acquiring, interpreting, retaining and transferring knowledge. It also purposefully modifies its behavior based on new knowledge, including that which it gains from making mistakes.

THEORIES OF LEADERSHIP: Most leadership theories emphasize leadership from the point of view of the leader, examples are trait, functional and style approaches. Some theories also consider the follower (subordinate) and the context (place) where leadership is being practiced. Examples of such theories are situational leadership, contingency and path-goal theories.

There are yet other theories such as leader-member exchange (LMX) theory, which conceptualize leadership as a process that is centered on the interactions between leaders and followers. Transformational leadership theory is also a process that changes and transforms individuals. In the team-leadership approach, the leader's critical function is to assist the group in accomplishing goals by monitoring/ diagnosing the group and taking the requisite action. The passage of time provided leadership models with increasing emphasis on individual capability and the need for a greater self-sufficiency in the modern working world. Thus, the paragraph also progresses the thinking around of leadership or supervisory practices in relation to workers' morale and productivity in organizations.

Table 1: Evolution of Leadership Theories

THEORY	Traits, Functional and Style Theories	Situational, Contingency & Path-goal Theories	Leader-Member Exchange Theory (LMX)	Transformational and Leadership Theories	Team Leadership Theory	Psycho-dynamic Approach
FOCUS	Leader	Subordinate and the context	Interaction between leader and subordinates	Raising level of motivation and morality in both the leader and subordinate, and be transformed/ changed them.	Group outcomes and productivity and complexity of team work in accomplishing organizational goals.	Arose from the methods of dealing with emotionally disturbed and psychological theories of personality development.

Trait Approach: It is a leadership theory that suggests that certain people are born with special traits that make them great leaders, and these include intellectual, personality and physical traits (Ivancevich and Matteson, 1993). Researchers have therefore been challenged to identify the definitive traits of leaders so as to differentiate them from the traits of non-leaders. Several major studies conducted on individual personal characteristics clearly indicate that many traits contribute to leadership style. Some of the important traits that consistently identified in many of the studies as leadership traits are intelligence, self-confidence, determination, integrity and sociability.

On a practical level, the trait approach is concerned with the traits leader's exhibit and who processes the traits. Thus organizations employ personality assessment instruments to identify how individuals will fit within the organization. It is also used for personal awareness and development, as it allows managers to analyze their strengths and weaknesses and gain a clearer understanding of how they should try to change the leadership (Northouse, 1997). Although there are arguments that deny the emergence of certain traits to denote good leadership (Vroom and Yetton, 1973), there are others that support the focus on trait approach as worthy of reference.

The trait approach is intuitively appealing because it fits clearly into the popular idea that leadership "out-front" in society. There is a great deal of research that validates the basis of the

trait approach. By focusing exclusively on the leader, it provides an in-depth understanding of the leader component in the leadership process. Lastly, it also provides some benchmark for individuals to evaluate their own personal leadership attributes.

There are major criticisms that have been leveled against the traits theory. In the first place, it has failed to delimit a definitive list of leadership traits and it had also failed to take into account the impact of situations. In addition, the approach has resulted in subjective list of the most “important leadership traits”, which are not necessarily grounded in strong and reliable research. Furthermore, the theory has not adequately linked the traits of leaders with other outcomes such as group and team performance.

Functional Theory: Pedler et al. (2003) claim that the best way of looking at leadership is to consider it as an art of performance, which emphasized on the response to a challenge in order to achieve a task within a certain context. The functional approach builds on this by breaking the leadership role into various functions, with emphasis on doing rather than being. This in turn emphasizes on the functions of leadership and considers how the leader affects and is affected by the subordinates through a series of specific activities and roles. Whereas Drucker (1989) claims that leadership cannot be created or promoted, it can be taught or learned. Kotter (1990) argues that “with careful selection, nurturing and encouragement, dozens of people can play leadership roles in organizations”. There are also a number of roles that the leader may assume. Adair’s (1984) action centered leadership (ACL) is an example of the functional approach, since it focuses on what the leader should do with the subordinates and categorizes the leader’s activities into three overlapping circles, denoting the main areas of the task, team and individual, and the impact of one of the other.

But the functional approach has a limitation. It ties the leader into performing against specific categories and does not allow for much flexibility beyond these. A more fluid approach is provided in the option offered by the style theory.

The Style Approach: It focuses on what leaders do rather than who leaders are. In this approach, the leader engages in two primary types of behaviors – task and relationship behaviors. Thus, the central purpose of the theory is how leaders combine the two types of behaviors to influence others.

There are three different lines of research approach on the style theory. The Ohio State University team of researchers identified initiation of structure and consideration (Stogdill, 1974) as the core leadership behaviors. The Michigan studies referred to the leader behavior as

production orientation and employee orientation (Cartwright and Zander, 1960 and Zander; Katz and Kahn, 1951; Likert, 1961, 1967). Blake and Mouton (1985) develop a practical model for training managers that describes leadership behavior along a grid with two axes – concern for production and concern for people. And leaders could combine these orientations to produce five major leadership styles (Authority-Compliance places heavy emphasis on task and job requirements and less emphasis on people, Country /club Management represents low concern for task accomplishment coupled with a high concern for interpersonal relationship. Impoverished Management represents a leader who is unconcerned with both the task and the interpersonal relationship, Middle-of-the-Road Management describes leaders as compromisers who have intermediate concern for the task and an intermediate concern for the people who do the task and Team Management places a strong emphasis on both task and interpersonal relationship).

The style theory has some strengths. It has broadened the scope the leadership research to include the study of the behavior of leaders. It is a reliable approach because it is supported by a range of studies. The style approach is valuable because it underscores the importance of two core dimensions of leadership behavior (task and relationship). Lastly, it has heuristic value in that it provides a broad conceptual map that is useful in gaining an understanding of leadership behaviors.

Other theorists have criticized the style approach. Researchers have not been able to associate the behaviors of leaders (task and relationship) with performance outcomes such as morale, job satisfaction and productivity. Again, the results from this massive research effort have been mostly contradictory and inconclusive. The only strong finding about leadership style is that leaders who are considerate have followers who are more satisfied. Consequently, they could not identify a universal set of leadership behaviors that would consistently result in effective leadership in almost every situation. Lastly approach implies that the effective leadership style is high-high style, that is, high task and high relationship but fails to support the idea fully (Northouse, 1997) because that may not be the case in all situations. Certain situations may require different leadership style. Some may be complicated and require high task behavior and others may be simple and require supportive behavior.

Situational Approach: The situational leadership theory is widely used because it suggests how leaders can become effective in different types of organizational settings, which perform a wide variety of organizational tasks (Ivancevich and Matterson, 1993). The situational model also describes how leadership styles apply to subordinates who work at different levels of

development. Thus, effective leadership occurs when the leader can accurately diagnose the development level of subordinates in a task situation and exhibit the prescribed leadership style that matches the situation (Blanchard et al, 1993).

Leadership styles refer to the behavior pattern of individual who attempts to influence others. The style includes directive (task) behavior and supportive (relationship) behaviors. Directive behaviors give directions to assist group members in goal accomplishment. Directive behaviors clarify one-way communication, what is to be done, how it is to be done, and who is responsible for doing it. Supportive behavior helps group members to feel comfortable about themselves, co-workers and the situation. It involves two-way communication and responses that show social and emotional support to others. Examples of supportive behavior are asking for input, problem solving, praising, sharing information about self and listening. They are mostly job related.

In this approach, leadership is measured through the use of questionnaires that ask individuals to assess a series of work-related situations such as leader's diagnostic ability, flexibility and effectiveness. The questionnaires are useful in helping leaders to learn about how they can change their supervisory style to become more effective across different situations.

There are four major strengths. The situational theory is an approach to leadership that is recognized a standard for training leaders. It is a practical approach that is easily understood and applied. The approach sets forth a clear set of prescriptions for how leaders should act if they want to enhance effectiveness of supervision. Lastly, the situational theory recognizes and stresses that there is not one "best" style of leadership. Instead, supervisors need to be flexible and adapt their style to the requirements of the situation (Graef, 1983; Yukl, 1989).

The situational theory has limitations. It does not have a strong body of research findings to justify and support the theoretical underpinnings on which it stands. Hence, there is ambiguity regarding how the theory conceptualizes certain aspects of the leadership process (Blanchard et al, 1985). It is also clear in explaining how subordinates move from low to high development levels, nor is it clear on how commitment changes over time for subordinates. Thus, without the basic research findings, the validity of the basic prescriptions for matching supervisory styles to subordinates development levels must be questioned (Carew et al, 1990). Finally, the model does not provide guidelines for how leaders use the approach in group settings as opposed to one-to-one contexts (Northouse, 1997).

Contingency Theory: It looks at the leader in conjunction with the situation in which he or she works. It is a leader-match theory that explains the importance of matching a leader's style with

the demands of a situation (Fielder and Chemers, 1974). It also means that performance is dependent on the interaction between leadership style and situational favorableness (Invancevich and Matteson, 1993). A personality-like measure called Least Preferred Co-workers (LPC) scale is used to measure leadership style. The LPC scale was developed to assess the degree of positive or negative feelings held by a person toward someone with whom he or she least prefers to work. Low scores on the LPC scale reflect a task-oriented or controlling and structuring leadership style. High score are associated with a relationship oriented or passive considerate leadership style (Invancevich and Matteson, 1993).

To measure situations, three variables (leader-member relations, task structure and position power) are assessed. These variables will determine the style of leadership that has the best chance of being successful when they are put together. In general, the human relations approach or the “lenient” style is associated with the leader who gives a relatively favorable description of LPC. On the other hand, the task-directed approach or “hard-nosed” style is the leader who gives a very unfavorable description of the LPC (Luthans, 1985).

The contingency theory is backed by a considerable amount of research and it is the first leadership theory to emphasize the impact to situations on supervisors. It is predictive of leadership effectiveness, which means that it does not allow leaders to be effective in all situations. It can also provide useful leadership profile data.

Contingency theory is criticized because it does not adequately explain the link between styles and situations. It relies heavily on the LPC scale, which has been questioned for its face validity and workability. It is not easily used in ongoing organizations. Lastly, it does not fully explain how organizations can use the theoretical results in situational engineering. The above criticisms notwithstanding, contingency theory has made a substantial contribution to understanding the leadership process (Northouse, 1997).

Path-Goal Theory: It explains how leaders motivate subordinates to be productive and satisfied with their work. It is a contingency approach because effectiveness of leadership depends on the fit between the leader’s behavior, the characteristics of subordinates and the task.

The basic principle of path-goal theory are derived from expectancy theory which suggests that employees will be motivated if they feel competent, think their efforts will be rewarded and find that the payoff for their work is valuable. A leader help subordinates by selecting a style of leadership that provides “what is missing” for subordinates in a particular leadership work

setting. Simply put, it is the leader's responsibility to help subordinates to the organizational goal by directing, guiding and coaching them along the way.

It offers a large set of predictions on a leader's style of interaction with subordinates' needs and nature of the task. Among other things, it predicts that directive leadership is effective with ambiguous task, supportive supervision is effective for repetitive task, participative leadership is effective when tasks is unclear and subordinates are autonomous, and achievement-oriented leadership is effective for challenging tasks. The path-goal theory provides a theoretical framework that is useful for understanding how directive, supportive, participative and achievement-oriented supervisory styles affect productivity and satisfaction of subordinates. It is unique in that it integrates the motivation principles of expectancy theory into leadership theory. Lastly, it provides a practical model that underscores the important ways that leaders can help subordinates.

There are four criticism leveled against the path-goal theory. The scope of the theory encompasses so many interrelated sets of assumptions that it is hard to use it in a given organization setting. The research findings at present do not support a full and consistent picture of the claims of the theory. Again, the theory does not clearly show how leader behaviors directly affect subordinate motivation levels. Lastly, it is very leader-oriented because the leader provides coaching, guidance and direction for subordinates to define and clarify goals. Subordinates are thus helped around obstacles as they attempt to reach their goals, and they easily become dependent on the leader to accomplish their work and fail to recognize the transactional nature of leadership. Path-goal theory places a great deal of responsibility on leaders and much less on subordinates. It can be counterproductive because it does not promote subordinate involvement in the leadership process and fails to recognize the full abilities of subordinates (Northouse, 1997).

Leader-Member Exchange Theory (LMX): Known as the “vertical dyad linkage theory (VDL)”, the LMX approach has been and continues to be much studied theory in leadership (Luthans, 1985.). it addresses leadership as a process that centered on interactions between leaders and subordinates. It makes the leader-member relationship the pivotal concept in the leadership process, and determines how he or she will respond to an accepting or rejecting group atmosphere (Lau and Shani, 1988).

In the study of LMX theory, which was viewed as a series of vertical dyads, it was categorized into two different types as the leader's in-group and the out-group. Thus, subordinates become

in-group members depending on how well they get along with the leader and whether they are willing to expand roles responsibilities. They receive extra influence, opportunities and rewards (Dansereau et al, 1975; Luthans, 1985). On the other hand, subordinates who maintain only formal hierarchical relationships with the leader are the out-group members. They only receive standard job benefits. Studies have found that high-quality exchanges between leaders and subordinates produced multiple positive outcomes in organizational performance, for example, less employee's turnover, greater organizational commitment and more promotions. In this approach, subordinates generally feel better and accomplish more for the organisation to prosper.

The most recent emphasis on LMX theory research focuses on leadership making which emphasizes that leader should develop high-quality exchanges with their subordinates. Leadership making develops over time and it goes through three phases – stranger, acquaintance, and mature partnership phases (Graren and Uhl-Bien, 1991). By taking on and fulfilling new role responsibilities, subordinates move through the three phases to develop mature relationships with their leaders. These partnerships are marked by a high degree of mutual trust, respect and obligation toward one another; have positive payoffs for the individuals and the organisation is run more effectively.

The LMX is a strong descriptive approach that explains how leader utilize some subordinates more than others to effectively accomplish organizational goals. The LMX theory is unique in that it makes the leader-member relationship the focal point of the leadership process. It is noteworthy relationship. Lastly, it is supported by a multitude of studies that link high-quality leader-member exchanges to positive organizational outcomes (Northouse, 1997).

There are also negative features in LMX theory. It runs counter to the principles of fairness and justice in the workplace because some members of the work unit receive special attention than others. Thus, the perceived inequalities can be a devastating impact on the feelings, attitudes and behavior of the out-group members. It emphasizes the importance of leader-member exchanges but fails to explain the intricacies of how one goes about creating high-quality exchanges. Although the model promotes building trust, respect and commitment in relationships, it does not fully explicate how this takes place. Finally, questions are asked as to whether the principal measure of LMX theory is sufficiently refined to measure the complexities of leadership (Graren and Uhl-Bien, 1995).

Transformational Leadership Theory: It is one of the newest and most encompassing approaches to leadership which is concerned with the process of how certain leadership inspire

subordinates to accomplish great things (Bryman 1992 in Northouse, 1997). The approach stresses that leaders need to understand and respond to the needs and motives of subordinates. Transformational leaders are recognized as change agents who are good role models, create and articulate a clear vision for an organisation, empower subordinates to achieve at higher standards, act in ways that make other want to trust them, and give meaning to organizational life. It emerged from and it is rooted in the writing of Burns (1978), Brass (1995), Nanua (1985) and Tichy and De Vanna (1986).

It can be accessed through the use of Multifactor Leadership Questionnaire (MLQ) which measures a leader's behavior in seven areas. These are individualized consideration (charisma), inspirational motivation, intellectual stimulation, idealized influence, contingent reward, management-by-exception, and laissez-faire behavior (Northouse 1997). High score of individualized consideration and motivation factors are most indicative of strong transformational leadership.

There are several positive features of the theory. It is a current model that has received a lot of attention by researchers and it has a strong intuitive appeal. It emphasizes the importance of broadens leadership to include the growth of subordinates (Brass, 1985). Finally, it places a strong emphasis on morals and values.

The theory has received some criticisms. First, the approach lacks conceptual clarity because it covers such a wide-range, including a vision, motivating, being a change agent, building trust, given nurturance and acting as social architect. It is thus difficult to define clearly the parameters of transformational leadership, which very often overlap with other similar conceptualizations of leadership. It is often interpreted too simplistically as an "either-or" approach and it creates a framework that implies that transformational leadership has a trait- like quality. It is sometimes seen as elitist and undemocratic. It is derived from and supported by data that focus heavily on senior – level leaders and it has the potential to be used counterproductively in negative ways by leaders (Northouse, 1977). Despite the weaknesses, transformational leadership theory appears to be a valuable and widely used approach.

Team Leadership Theory: The increase importance of organizational teams and leadership needed within them has produced a renewed interest in team leadership theory. The leadership and group effectiveness model provided a framework within which to study the systematic factors that contributes to group outcomes or general effectiveness.

In this approach, the leader's critical function is to assist the group in accomplishing goals by monitoring/diagnosing the group and taking the requisite action. A system model has been developed to display the various components and elements within the effective approach. This model explains the relationship between inputs (individual factors, context factors, group design material resources) and outputs (group effectiveness measure) and process measures (effort knowledge, strategies and group dynamics). In addition, the model demonstrates the role the team leader can play in monitoring and taking the appropriate action to the factors.

One of the strengths of the team –leadership approach is that it focuses on real organizational work groups and what makes them effective. It also emphasizes that much of the team leadership is shared and distributed within the work groups. The model offers help in selecting leaders and team members with the appropriate diagnostic and action – taking skills. Furthermore, the model is also appropriately complex which provides a cognitive approach for understanding and researching into organizational teams (Kogler Hill in Northouse, 1997).

A weakness of this approach is that is new and not much research exist to support the many connections and claims made by the model. The analytical and action taking leadership skills prescribed by the model need further development. Also for pragmatists who want immediate answers to every question, this model might be frustratingly complex and long term. However, Hackman (1990), in support of this approach suggests that those who lead organizational teams need to recognize that team effectiveness is a complicated process and that the factors involved are complex and interrelated, and must not be studied in isolation. The team leader should therefore learn to create conditions that support team excellence by allowing the team to thrive. Such an approach recognizes that there is no one who is best for a team to function and each team should be allowed to create its own norms and structure.

Psychodynamic Approach: Freud and Jung developed the psychodynamic approach to leadership, and out of psychological theories of personality development as one of the methods for dealing with emotionally disturbed individuals. The clinical work and theorizing led to the development of concepts such as the family of origin, individuation, dependence, counter-dependence, independence, regression, repression and the shadow – self. The most popularized version of this approach is known as the transactional analysis.

The basic assumption of the approach is that an individual can change behaviors and feeling by obtaining insight into his or her upbringing, prior relationships and psychological development.

And these can be achieved by providing mechanism such as workshops, counseling sessions or personality assessments (Stech in Northouse, 1997).

The strengths of the psychodynamic approach include the emphasis on analyzing the relationship of the leader to the subordinate, an attempt at universality of human experience, the need for insight development by the leader, the encouragement of personal growth, and a rejection of manipulative techniques in dealing with other human subordinates.

A major criticism is that the theory is based on the treatment of persons with serious emotional difficulties or crises, but a major portion of the approach arises out of the subjective impressions of clinicians and the use of one person case studies. There is also a potential for cultural bias in the creation of psychodynamic explanations of behavior which may include an assumption of a family of origin consisting of two parents. The approach focuses on the psychology of the individual leader and ignores the culture and social norms of the organisation. Finally, it limits the ability to train individual because to emphasis the need for insight rather than skill development.

In applying the psychodynamic approach, it is suggested that the leader with insight into own personality and those of the subordinates will function effectively. This is put into practice when members of an organization are given a personality inventory and the results are shared among them. The participants more readily understand and accept their differences.

The Myers – Briggs Type Indicator is the most common personality inventory used in the application of the psychodynamics approach to leadership. The leader's personality type and those of the members of the team are shared and this is assumed to improve understanding among the participants. Thus, the psychodynamic approach is unique because it focuses on the basic personality of the leader and the subordinates and not specifically on leadership traits ((Stech in Northouse, 1997).

Leadership and Productivity Model: Employees who receive good leadership are likely to increase productivity. Thus, good leadership is democratic rather than authoritarian, employee centered rather than productivity-centered, concerned with human relations rather than bureaucratic rule, and so on (Perrow 1972). There is an assumption that good leadership leads to high morale and high morale leads to high productivity. It also reduces staff turnover and absenteeism, which ultimately raises productivity by minimizing training and disruption caused by absent workers. According to Herzberg et al, (1959), the leader is usually the source of

recognition if work becomes successful. Again, leaders are often instrumental in structuring the work so that subordinates could realize their ability for creative achievement.

Leadership and Performance: Leadership behavior primarily consists of leading men and not making good decisions about non-personal mundane factors as the market, technology, competition or organizational structure. One is exceptionally a good leader when good decisions are made about the use of such mundane factors to achieve organizational goals. However, one can handle subordinates so poorly as to negate the advantages of organizational resources and opportunities. On the other hand, one can have such extraordinary personality as to compel loyalty, devotion and hard work even without superior resources and opportunities.

Most human relations theorists have held that job enlargement increase both satisfaction and productivity. But Hulin and Blood (1968) noted that not all workers are satisfied when they are allowed to take part in decision-making. They suggest that some prefer routine repetitions and specified work methods.

TWO-DIMENSIONAL LEADERSHIP STYLES

In 1945, Ohio State University began a study to determine effective leadership styles. In an attempt to measure leadership styles, researchers developed an instrument known as the Leader Behavior Description Questionnaire (LBDQ). Respondents to the questionnaire perceive their leaders' behavior towards them on two (2) distinct dimensions that is:

1. **Initiating structure:** The extent to which the leaders takes charge to plan, organize, direct and control as the employee performs the task. It is referred to as the job-centered style and also known as concern for production in the managerial grid model.
2. **Consideration:** The extent to which the leader communicates to develop trust, friendship, support and respect among employees. **Employee-centered style** is the same as consideration: the managerial grid refers to this dimension as concern for people.
3. **Leadership Grid:** The leadership grid, formally known as managerial grid was developed by Robert Blake and Jane Mouton in 1964, 1978, and 1985. It became the leadership grid in 1991 after Anne Adams McCanse replaced Mouton. The leadership grid is based on the two leadership dimension called concern for production and concern for people. They identified ideal leadership style as having high concerns for both

production and people. The grid or model identified five major styles which are outlined below as:

- *The impoverished manager:* This leader has a low concern for both production and people. The leader does the minimum required to remain employed in the position.
- *The sweatshop manager:* This leader has a high concern for production and a low concern for people. The leader uses position power to coerce employees to do the work. Hence, people are treated like machines.
- *The country club manager:* This leader has a high concern for people and a low concern for production. The leader strives to maintain good relations and a friendly atmosphere.
- *The organized person manager:* This leader has balanced medium concern for both production and people. The leader strives to maintain satisfactory middle-of-the-road performance and morale.
- *The team manager:* The leader has a high concern for both production and people. This leader strives for maximum performance and employee satisfaction.

Participation, commitment and conflict resolution are highly emphasized.

Sociologists have found that leadership is as much a function of the requirements of the group as the personalities of the individuals (Nevelle, 1983). Whether, elected, appointed or chosen informally during the course of interaction, leaders tend to be self-confident and talkative, offering numerous suggestions and opinions. Others see them as deeply committed to the group values and determined to achieve its goals. Sociologists distinguished between two basic types of leadership that is *instrumental leadership* (organizing work, setting standards, and keeping the groups attention and energy focused on achieving its goals) and *Expressive leadership* (building team spirit, maintaining group moral, mediating disputes and being supportive) (Gelles and Levine, 1999). Because an instrumental leader is task-oriented and pushed group members to stick to business he/she often becomes unpopular and may create friction in the organization.

SUMMARY OF THE TYPES OF LEADERSHIP

Transformational Leadership: Transformational leadership is that kind of leadership that makes subordinates aware of the importance of their job, their performance to the organization, their own needs for personal growth and motivating subordinates to work for the good of the organization.

- a. Transformational manager make their subordinates aware of how important their jobs are for the organization and how necessary it is for them to perform those jobs as best they can so that the organization can attain its goals.
- b. Transformational managers make their subordinates aware of the subordinates' own needs for personal growth, development and accomplishment.
- c. Transformational managers motivate their subordinates to work for the whole, not just for their own personal gains or benefits (Jones et al, 2004).

Charismatic leader: Is an enthusiastic, self-confident leader able to clearly communicate his/her vision of how good things could be.

Traditional leader: Is a leader whose authority is based on customs handed down through generation. The authority of this leader is inherited: for example, it is the sacred right of a king or queen or emperor or tribal chief to command his or her people or subjects.

Transactional leadership: Leadership that motivates subordinates by rewarding high performance and reprimanding low performance (Jones et al, 2000).

Rational-legal leader: This authority is derived from a formal system of rules or laws that specify what rights the leader has and to what extent he/she can exercise it. The authority of this leader is vested in the position or office and not in the person (Weber, 1946).

LEADERSHIP STYLES

Different approaches to supervision in established organizations have been propounded. The best known eight supervisory styles that have attracted scholarly attention are the democratic, autocratic, laissez-faire, employee-centered, job-centered, close, general and paternalistic styles.

Democratic Leader: The central theme of the democratic style of leadership as advanced by authors such as Likert (1961) and Luthans (1958) is that such an approach is consultative, which allows all the organization's policies to be derived from group action or decision. In this style, although the leader participates in its formulation of worker plans, it is the workers who decide together with the leader, the division of task to be accomplished by the workers. In other words, there is involvement of workers in the decision making process of the organization. The leader is seen to be objective in his/her praise and criticism of the performance of the workers because

he/she participates in group activities as deemed appropriate (White et al, 1960; Likert, 1961; Luthans, 1985). Also, in the democratic style, the leader is seen as egalitarian, facilitative, group-centered, permissive, participative, and responsive to the needs of his followers and geared to consent and consensus (Cribbin, 1978). According to Likert (1967), effective managers are those who adopt the democratic or participative styles of leadership because both are based on trust and paying attention to the needs of both employees and organizations. Yukl (1981) further describes delegation as a democratic principle and explains that the leader gives a subordinate the authority and responsibility for making a decision but usually specified the limits within which the final choice must fall. Thus in delegation the subordinate may or may not be required to obtain the approval of the leader before implementing the decision.

Autocratic leader: In the autocratic style of leadership, the leader determines policy, assign tasks to workers without first consulting them. As Greenberg et al (2000) note, in this style of leadership, there was no group inspired decision. The leader decrees what should be done and others have to accept it. The leader thus makes all decisions unilaterally (White et al, 1960; Greenberg et al, 2000). The supervisor is personal in his/her praise, tries to be friendly and criticizes individual workers but remains aloof to them (Luthans, 1985). Unlike the autocratic style of leadership, policies and guidelines for the workers and individual behavior are imposed by the leader. According to Crisbbin (1978) an authoritarian leader is perceived as self-insistent, dictatorial, harsh, punitive, threatening, power conscious, restricting and all too eager to seek out scapegoats.

Laissez-faire leader: This type if leadership style grants complete freedom to workers and makes individual decisions without leader participation or direction. The leader merely supplements materials, remains apart from the workers and participates only when asked to do so (White et al 1960; Luthans 1985). The leader's comment on workers' activities is infrequent and makes an attempt to interfere with or participate in the course of events determined by others. The laissez-faire style is a leaderless social situation. It allows things and activities of group to take their own course without any control or direction from the leader. As Mullins observes (1999), even individual workers do as he or she pleases and there is often confusion over this style of leadership.

Employee-Centered Leadership (Human Relations-Oriented): This is a style, which places strong emphasis on the welfare and motivation of subordinates (Schermerhorn et al, 1992). Leadership, thus establish trust, mutual respect and rapport with the workers and show concern, warmth, support and consideration for subordinates (Mullins, 1999). Leaders with style are more

sensitive to the needs and feelings of the employee. They typically find time to listen to workers, are willing to make changes, look out for the personal welfare of employees, and are friendly and approachable (Hellriegel et al, 1999). This type of leader is supportive of his subordinates, helpful to them and concerned for their wellbeing. The leader is perceived as interested in the human aspect of the work and he/ she is likely to have three characteristics – a strong regard for employees as human beings, a commitment to high production and a contagious enthusiasm for quality of work (Cribbin, 1978).

Job-Centered style or Production-Centered (Task-Oriented): This style stresses on getting the work done, group interaction towards attainment of formal goals and organize group activities, rather than the welfare and motivation of workforce. It is therefore associated with efforts to achieve organizational goals (Mullins 1999). Leaders with this style emphasize direction of group activities through planning, communicating information, scheduling, assisting tasks, emphasizing deadlines and giving directions. Thus, leaders who adopt this style concentrate on keeping their subordinates engaged in going through specified work cycles in a prescribed way and at a satisfactory rate as determined by time standards (Likert, 1961). Also, according to Cribbin (1978), the production-centered leader perceives his/her people as mere hands to get the work out. He/she is noted for showing concern for neither workers' welfare nor his/her considerateness of their feelings and needs.

Thus, in the leader's view, technical work factors take precedence over human work factors. The leader equates working with machines to working with people and it is not surprising that he/she is always in charge of low producing groups. The production-centered leader maintains definite standards of performance and asks subordinates to follow themselves with accomplishing tasks by giving directions and expecting them to be followed (Northhouse, 1997).

Paternalistic Leader: It focuses on providing specific guidance, establishing work schedules and rules. Subordinates are over protected and may lack opportunities to be placed in challenging or risky situations that may be a disadvantaged. In this style, the leader represents a low concern for task accomplishment with a high concern for interpersonal relationships. Thus, the leader stresses the attitudes and feelings of people making sure that the personal and social needs of subordinates are met and agrees to organizational demands, eager to help subordinates comforting and uncontroversial. At the same time, the leader lays more emphasis on task and job requirements and less emphasis on people. He/she communicates with subordinates only when giving instructions for the job to be done. The leader therefore uses any of the two styles but does not integrate them (Northhouse, 1997). Indeed, this is the "benevolent dictator" who acts

graciously but does so for the purpose of goal accomplishment. Thus, the parental image is highlighted when organisations are referred to as paternalistic (Stech in (Northhouse, 1997).

Close Leadership style: The supervisor tends to spend more time with his/her subordinates but the time is broken into many short periods in which leaders give specific instructions, for strict control (Likert 1961). This kind of style allows the manager to spend a lot of time with subordinates and give instructions so that they follow work schedules and perform assignments at the work place within a specific time frame. Again this leader who watches subordinates closely for mistakes or rule violations and then takes corrective actions. An example, do this, do that and do it this way and thus put pressure on the workers to work under subordinates and give instructions so that that they follow work schedules and perform assignments at the workplace within a specified time frame. Again, this is a leader who watches subordinates closely for mistakes or rule violations and then takes corrective action. An example is the sales supervisor who monitors daily how employees approach customers and quickly corrects those sales people who are slow to approach customers in the prescribed manner (Northhouse, 1997). Workers who receive close supervision from their leaders are more likely to be associated with low-producing sections of organisation (Luthans, 1995). Apparently close supervision can interfere with the gratification of some strongly felt needs (Kahn and Katz in J. Steven Ott, 1989).

General Style Leadership: This style makes clear to subordinates what the objectives of the organisation are, and what needs to be accomplished, and then gives them freedom to do the job. The subordinates can then pace themselves and use their own ideas and experiences to do the job in the way they find workers best (Likert, 1961). This style allows subordinates to operate on their own and within the set goals and objectives of the organisation. They set their own targets and ensure that they use their ideas and experience to accomplish task. According to Luthans (1985), workers who are attached to the high-producing sections of organizations are significantly more likely to receive general supervision from leaders.

According to an article by Kahn and Katz in J. Steven Ott (1989), workers of supervisors who adopted the general leadership style indicated relatively more freedom or scope of authority, were able to plan their own work as much and as far ahead as they wanted to receive relatively less pressure from above and more satisfied with the amount of authority which they had on their jobs. Consequently, this resulted in high productivity in the companies that were studied. Thus, Likert (1961) explains that general leadership is more associated with a high level of productivity. Again, it was found in a study of large public utility companies that supervisors, who were rated as “immediately promotable” by their superiors, used the general supervision

style (Likert, 1961). The high producing supervisors and managers who use this style of supervision achieve their objectives by clarifying issues and what needs to be accomplished in the organisation.

Participative Management Leader (Democratic Style): Various writers have defined the term participation to mean consultation, joint decision making, power sharing, decentralization and democratic management. According to Yukl (1981), it is the involvement of subordinated in a manager's decision. It is a style of decision procedure through which subordinated are allowed to influence some of the manager's decisions. The style is also described as the practice of "industrial democracy" whereby workers sometimes influence and even control decisions affecting the organisation through their elected representatives. Hence, participation leads to greater understanding and acceptance of a decision, the objectives involved in a particular decision and of the action plan developed to achieve the objectives in the organisation by the workers.

Reasons why leadership style may not produce the same kind of result with different subordinates or in different situations: There is always a discrepancy that exists between what a leader says, what he does and his actual behavior. Very often leaders may not be aware of this discrepancy and may believe that he is doing what he reports (change his actual supervisory behavior). Thus, different subordinates respond differently to the same leadership style and therefore the same kind of results cannot be obtained with different subordinates and situations.

Differences in perception cause discrepancies in behavior of subordinates and leadership styles. An individual's perception depends upon his particular background and previous experiences, and therefore difficult to achieve the same kind of results if you deal with different subordinates at different times (Likert, 1961).

Individual expectations, norms and values are important variables, which affect subordinates response to the behavior of leaders. Past experiences and social factors present at work and in the community influences the variables. Some studies have thus demonstrated that differences in expectation, norms and values lead to different behavior in response to the same leadership style.

Subordinates life history and value system influences the expectations and response to the behavior of superiors. This results from differences in the home background and social environment of groups of workers in organisations.

SHORTCOMINGS OF THE LEADERSHIP STYLE

The review of the eight leadership styles indicates that the process is complex. A major criticism of the leadership style is that they assume these styles are universally applicable. Empirical evidence suggests that a specific leadership style may not produce the same kind of results with different subordinates or in different situations. There is always a discrepancy that exists between what a leader says, what he or she does and their actual behaviors. Very often, supervisors may not be aware of this discrepancy and may believe in the rightness of what they are doing or reporting. Thus, different subordinates respond differently to the same leadership style, and therefore the same kind of results cannot be obtained with different subordinates and situations.

Another criticism of the leadership style literature is that it fails to take into account the perceptions and misconceptions of workers towards their leaders. The literature is unable to explain the causal relationship between leadership styles and workers' morale and how they impact on productivity because subordinates misperceive to perceive the intentions of their leaders. This may cause discrepancies in responses of subordinates to the actions of their leaders and can affect the morale of the workers in a negative or positive way. This, in turn, can improve or lower productivity irrespective of the leadership styles managers adopt.

(Likert, 1961) argues that an individual worker's perception of the leader's intentions depends upon the worker's particular background and previous experiences. Individual expectations, norms and values are important variables, which affects subordinates' response to the actions of their leaders. Differences in expectations, norms and values lead to different responses to the same leadership style. The history of workers in organisations and their value systems which results from differences in the home and social environment, can also influence their expectations and responses to the decisions and actions of their leaders and lead to leadership styles not achieving the desired results.

Leadership behavior that primarily consists of managers not making good decisions about such non personal mundane factors as the market, technology, competition or organizational structure can affect workers' morale and impact productivity. One is exceptionally a good when good decisions are made about the use of such mundane factors to achieve organizational goals. However, the leader can handle subordinates so poorly as to negate the advantages of organizational resources and opportunities. On the other hand, a leader can have such an extraordinary personality as to compel loyalty, devotion and hard work even without superior resources and opportunities.

Another critique of the literature is that it assumes that organizations are rational in selecting effective leaders to step into the leadership positions. In fact, majority of the supervisors accept a leadership mantle without having any experience of dealing with day-day people-related pressures. Promotions are frequently administered on the basis of technical ability, for example, a good sales person may be promoted to sales manager because of good sales results in the hope that they will then pass their expertise down and replicate their success through others. What many organizations overlook is that the moment they place an individual in the leadership role, the life of those below is immediately affected. In the hands of these vital few will reside the future of many people and potential employees' fallout due to poor leadership, is well publicized. The future learning potential of these individual is also adversely affected, and while there are those who are able to re-emerge under the tenure of a different leader, there are also large number of people whose confidence suffer so adversely that recovery and resilience are not easy to access.

Although delegation is a useful procedure for reducing overload on a leader, enriching subordinate's job, developing skills and influencing subordinate commitment, it may or may not increase decision quality depending on the situation. Managers fail to delegate due to a lack of confidence in subordinates and desire to retain control of situational requirement regarding coordination and standardization.

There are compelling reasons why the participative style fails in organizations. It is usually required more time and results in a great deal of wasted time and inappropriate in an emergency where the immediate decision is required. The leader may find himself in control with subordinates while they are trying to extend their participation and expectations to a wider range of decisions than the leader is willing to allow. Also the manager is perceived as lacking in expertise, initiative and self-confidence may even perceive the manager as a weak leader.

GENDER ISSUES IN LEADERSHIP

Do women lead differently than men? This question has captured the interest of many organizational behavior scholars and is the subject of on-going public debate as more women enter leadership roles at work. Many people do see a difference, but others don't think gender is a factor in leadership. Several writers argue that women have an interactive style that includes more people-oriented and participative leadership. They suggest that women are more relationship-oriented, corporative, nurturing and emotional in their leadership roles. They further assert that these qualities make women particularly well suited to leadership roles at a time when

companies are adopting a stronger emphasis on team and employee involvement. These arguments are consistent with sex role stereotypes, namely men tend to be more tasks-oriented whereas women are more people oriented.

Are these stereotypes true? Do women adopt more people-oriented and participative leadership styles? The answer, according to organizational behavior research, is that these stereotypes of female leaders are mostly false. Leadership studies in field setting have generally found that male and female leaders do not differ in their levels of task-oriented leadership. The main explanation why men and women do not differ on these styles is that real world job requires similar behavior from male and female incumbents.

One leadership style that women do adopt more readily than their male counterparts is employee involvement. Scholars explain that women are possibly more participative because their upbringing has made them more egalitarian and less status oriented. There is also some evidence that women have somewhat better interpersonal skills than men, and this translates into their relatively greater use of the participative leadership style. Finally, women might be more participative because subordinates expect them to be so, based on their own sex stereotypes. If a female manager tries to be more autocratic, subordinates are more likely to complain (or use some other power base) because they expect the female manager to be participative.

Studies show that men tend to talk to emphasize status. Women tend to talk to create connections and develop relationships. Women spend more time talking about their feelings and personal lives, including their families, than do men. Women who have worked together for a few weeks may know much about each other's personal lives, whereas men can work together for years and not know much about their personal lives.

UNIT 3: PERSONALITY

Why study Personality? Who are you? How do you describe your characteristics? How do you differ from others? How can we define and measure those characteristics and differences? Psychologists answer these questions using the concept of personality. Many managers think that personality is related to job performance, career success, and personality assessment is a widely used selection tool.

Personality: A well-known personality theorist, Salvatore Maddi defines personality as “a stable set of characteristics and tendencies that determine those commonalities and differences in the psychological behavior (thoughts, feelings and actions) of people that have continuity in time and that may not be easily understood as the sole result of the social and biological pressures of the moment”.

The definition contains the following important ideas:

1. Nothing in the definition suggests limiting the influence of personality to only certain behaviors, certain situations or certain people. Thus, personality is “a general theory of behaviors” – an attempt to understand people or describe the behavior of all people, all of the time. In fact, some people would argue that to attempt to define the concept of personality is to attempt to explain the very essence of what it means to be human.
2. The phrase “commonalities and differences” suggests an important aspect of human behavior. An often quoted adage states that every person is in certain respects like all other people, like some other people and like no other person.
3. Theories of personality often make statements about things that are common to all people and things that set people apart from each other. To understand the personality of the individuals is to understand what that individual has in common with others, as well as what make that individual unique. Thus, for the manager this means that each subordinate is unique and may or may not respond the same way as others to request, praise, reprimands, pay raise, etc. this complexity is some of the things that makes making and working with people so challenging.
4. Finally Maddi’s definition refers to personality as being “stable” and “having continuity in time”. Most people intuitively recognize this stability. If a person’s entire personality could change suddenly and dramatically, his family and friends will be confronted with a stranger. While major changes do not normally occur suddenly an individual’s

personality may change over time. Personality development occurs to a certain extent throughout life although out life although the greatest changes occur in early childhood. Experience (being exposed to new people and situations) influences personality. People learn new ways of behaving and can vary their significantly by the demands of their work setting, and some aspects of their personalities may change overtime as a result of the socialization influences of the organization.

Types and Traits: Attempts to describe the components and structure of personality have focused on the concept of types and traits. A type is a descriptive label for a distinct pattern of personality characteristics. Examples of personality traits include shyness, excitability, reliability, moodiness, etc.

Sources of personality differences: What determines an individual's personality? This question has no single answer because too many variables contribute to the development of each individual's personality. The sources of personality differences can be grouped into several major categories help us to understand why individuals are different.

1. **Heredity:** A belief in a genetic basis for personality is deeply ingrained in many people's notion of personality. Expressions such as "she is just like her father", etc. imply a genetic explanation for personality. Heredity determines physique, eye color, hair color, certain physiological characteristics of the music and nervous systems. However, the extent to which genetic factors influence personality is hotly debated. The nature-nurture controversy personality is largely inherited, and the extreme nurture position is that personality attributes are determined by a person's experiences. The nature-nurture debate can be summarized as follows:
 - a. The degree to which personality is genetically or environmentally determined varied a great deal from one personality characteristics to another.
 - b. To understand personality development, we must examine the interaction between heredity and environment, since each plays a part.
 - c. Heredity sets limits on the range of development of characteristics and within this range, characteristics are determined by environmental forces.

Thus many experts have held that the environment plays a larger role in shaping personality than do inherited characteristics.

- 2. Culture:** refers to the distinctive ways that different populations or societies of human organize their lives. Culture thus plays an important role in personality formation. Individuals born into a particular culture are exposed to existing values and norms of acceptable and appropriate behavior. Culture defines how the different roles necessary to life in that society are to be performed. For example, US culture rewards people for being independent and competitive. Japanese culture rewards individuals for being cooperative and group oriented.

Although extreme differences can exist among individuals within a culture, it determines the broad pattern of behavior similarly among people. Therefore it is incorrect to assume that culture influences all individuals within it to the same degree. Thus, managers must recognize that culture has an impact on the development of employee's personalities but they must not assume that cultures are homogeneous and that individuals respond to their influences equally.

- 3. Family:** The primary vehicle for socializing an individual into a particular culture is the person's immediate family. Both parents and siblings play important role in personality development for most individuals. Members of the extended family (grandparents, aunts, uncles etc) can also influence personality formation. In particular, parents (or single parents) influences their children's development in 3 important ways:
- a. Through their own behaviors they present situations that bring out certain behaviors in children.
 - b. They serve as role models with which children strongly identify.
 - c. They selectively reward and punish certain behaviors.

In addition, the family's situation is also an important source of personality differences among people. Situational influences include the socio-economic level of the family, family size, birth order, religion, geographical location, parent's educational level, etc. for example, a person raised in a poor family simply has different experiences and opportunities than does a person raised in a wealthy family.

- 4. Group membership:** Most individuals' first group which they belong is the family. People participate in a wide variety of groups during their lives beginning with childhood playmates and continuing through schoolmates, sports teams, etc. into adults work and social groups. The numerous roles and experiences people have as members of various

groups represent another important source of personality differences. Although playmates and school groups early in life may have the strongest influences on personality formation, social and group experiences in later life continue to influence and shape personality. Thus, to fully understand a person's personality it is important to understand the past and present of the group to which that person belongs.

5. **Life experiences:** Apart from the above, each individual's life is unique in terms of specific events and experiences. These events and experiences can serve as important determinants of personality. For example, the development of self-esteem depends upon a series of experiences that include the opportunity to achieve goals and meet expectations, evidence of the ability to influence important and a clear sense of being valued by others. Thus, a complex series of events and interactions with other people unfolds to establish the level of esteem in adult's personality.

The Big Five Dimensions of Personality in Organizational Behavior: These are the five abstract personality dimensions under which most personality traits are represented. They are conscientiousness, emotional stability, openness to experience, agreeableness and extroversion.

Conscientiousness: it is a dimension ranging from careful, thorough, responsible, organized, self-disciplined and scrupulous at one end to irresponsible, unorganized, lacking in self-discipline and unscrupulous at the other. Thus, it characterizes people who are careful, dependable and self-disciplined.

Emotional Stability: People with high emotional stability are poised, secure, enthusiastic and calm. Thus with emotional instability tend to be depressed, anxious, indecisive and subject to mood swing (anger, emotional, insecure and excitable).

Openness to experience: This dimension is the most complex and has the least agreement among scholars. It generally refers to the extent that people are sensitive, flexible, creative and curious. Those who score low on this dimension tend to be more resistant to change, less open to new ideas and more fixed in their ways.

Agreeableness: This includes the trace of being courteous, good nurtured, emphatic, caring, gentle, cooperative, forgiving and hopeful. Some scholars prefer to label it "friendly compliance with its opposite being "hostile compliance". People with low agreeableness tend to be uncooperative, short tempered, irritable, ruthless, suspicious and inflexible.

Extroversion: characterizes people who are outgoing, talkative, sociable, assertive and active whereas introversion characterizes people who are quite, shy, cautious, reserved and sober.

These personality dimensions affect work related behavior and job performance. Champions of organizational change seem to have high level of the five personality dimensions. People with high emotional stability tends to work better than others in higher stressor situations. Those with high agreeableness tend to handle customer relations and conflict based situation more effectively.

Conscientiousness has taken center stage as the most valuable personality trait for predicting job performance in almost every job group. Conscientious employees set higher personal goals for themselves and have higher performance expectations than employees with low level of conscientiousness. Again, employees with high conscientiousness engage in more organizational citizenship behaviors. They are therefore necessary for emerging organizational structures that rely on empowerment rather than the traditional “command and control” system. It also plays an important role in customer service along with agreeableness and emotional stability.

Work Related Aspects of Personality: Personality and Behavior: This section describes several personality dimensions that are particularly important for understanding aspects of **Organization Behavior**.

Self –esteem: It is the evaluation an individual makes of himself or herself. People have opinions of their own behavior, abilities, appearance and wealth. These general assessments judgment of their worthiness are affected somewhat by situations, success or failure and the opinions of others. Nevertheless, they are stable enough to be widely regarded *as* a basic characteristic of the personality. As such, self-esteem affects behavior in organizations and other social settings in several important ways. For example, self-esteem is related to initial vocational choice, thus, individuals with high self-esteem will take more risk in the job selection attracted to high status occupations and likely to choose unconventional or non – traditional jobs than individuals with low self-esteem.

Self-esteem is related to a number of important social and work behaviors. For example, low self-esteem individuals will set goals for themselves, high self-esteem employees set higher goals. Generally self-esteem is positively related to attempts to achieve or willingness to exert efforts to accomplish tasks.

Locus of control: It refers to the extent to which the individuals believe that they can control events affecting them. Individuals who have a high **internal locus** of control believe that the events in their lives are primarily the result of their own behavior and actions, that is, they are very much in charge of their destiny. People with **external locus** of control believe that events in their lives are primarily determined by chance, fate, luck or other people. The externals also believe that they control many specific events in their lives such as opening a door or serving a familiar customer but they have a general belief that outside forces guide their fate. This is apparent in new situations in which the person's control over events is uncertain.

People perform better in most employment situations when they have a moderately strong internal locus of control. They tend to be more successful in their careers and earn more money than their external counterpart. They are also more satisfied with their job, cope better in stressful situations and are motivated by performance-based reward systems. The internals are well suited to leadership position and other jobs requiring initiative, independent action, complex thinking and high motivation.

They pursue more innovative strategies; invest more in research and development, introduce new products more aggressive strategies and plan further into the future.

Introversion / Extraversion: Refers a section of the dimensions. A wide distribution of introvert and extravert types occurs across educational levels, genders and occupations. Some extraversion is thus important to managerial success. Since the manager's decisional role often involves identifying and solving with and through individuals, certain degree of extraversion may be essential. However, extreme extraversion or introversion can interfere with an individual's effectiveness in an organization. A striking implication of introversion / extraversion personality dimension for organizational behavior involves tasks performance in different environment whereas extravert perform better in an environment with great sensory stimulation (more people, noise change and so on). Thus, the extreme introvert might be alone in a quiet office and the extreme extravert may well prefer a noisy office with many people and a high level of activity. This is a personal dimension with a relatively high generally determined component.

Authoritarianism and Dogmatism: The authoritarianism personality is one that rigidly adheres to conventional values, readily obeys recognized authority, exhibits a negative view of mankind concerned with power and toughness and opposes the use of subjective feelings.

Dogmatism essentially refers to the rigidity of a person's beliefs. The highly dogmatic individual sees the world as a threatening place, regards legitimate authority as absolute, and accepts or rejects other people on the basis of agreement or disagreement with accepted authority or doctrine. Thus, a highly dogmatic individual is close-minded and a less dogmatic person is open-minded.

There is evidence that the highly dogmatic depend more on authority figures in the organization and are more easily influenced by them than are less dogmatic. Also, the authoritarian personality is subservient to authority figures and may even prefer superiors who have a high directive structured leadership style.

There appears to be some relationship between the degree of dogmatism and interpersonal and group behavior. For example, highly dogmatic individuals typically need more group structure to work effectively without others. This means that the performance of highly dogmatic individuals on tasks forces, committee assignments, etc, may vary depending on how the group goes about doing its tasks. There some evidence that a high degree of dogmatism is related to a limited search for information in decision situations which sometimes leads to poor managerial performance.

The type A and Type B Behavior Pattern: People categorized as Type A show high levels of competitiveness, irritability and time urgency (they are always in a hurry); they demonstrate certain stylistic patterns such as loud and exaggerated speech, and a tendency to respond very quickly in many contexts, for example during conversation, they often begin speaking others are through. The Type B people are much calmer and laid back, extremely relax easy-going and causal.

The differences between Type As and Type Bs have vital implications for their behavior work-setting, and these are personal health, tasks performance and relations with others respect to job performance, the Type As will work harder at various tasks and perform higher levels. Also, they tend to work faster on many tasks than Type Bs even when no prior deadline is involved. Similarly they are able to get more done in the presence of distraction and often seek more challenges in their work (For example, given a choice, they tend to more difficult tasks). But the Type As frequently do poor on tasks requiring patience or considered judgment. (Despite these differences the Type As do not perform better than Type Bs). For the most part, they are simply in too much of a hurry to complete such work in effective manner.

- a) Several surveys reveal that that most top executives are Type Bs than Type As. It is possible that Type As simply do not last long enough on their jobs to raise to the highest managers levels; the health risk they face may remove them from contention before they are experience enough to advance.
- b) The impatient, always in hurry style of Type As is generally incompatible with deliberate carefully studied decision style required of top levels managers.
- c) It is possible that the impatient, hostile style of Type As may irritate the people around them much that it interferes with their chance for promotion.

Although Type As may excel on tasks involving pressure or solitary work, Type Bs have advantage when it comes to tasks involving complex judgments and accuracy as opposed speed. With respect to interpersonal relations, Type As tends to become impatient with people and grow angry if someone delays in any way. In fact, they are likely to lose their tempers and lash out at others in response to even slight provocations. They also prefer working by themselves opposed to team players. Thus, they tend to become involved in more conflicts at work than the Type Bs.

Organizational Implications: Some important personality dimensions that have been discussed have important implications for Organizational Behavior. For example, high self-esteem individuals place more value on attaining performance goals than low self-esteem employees specific relationships are also identified. But it will be wrong for to assume the managers work groups can change or otherwise directly control employee personality. This is of course impossible and even if possible, will be highly unethical. Rather, the challenge for managers and employees are to understand the crucial role played by personality in explaining some aspects of human behavior in work settings. The knowledge of this important individual difference provides managers and students of OB with valuable insights and a frame work that can be used to diagnose events and situations.

The Personal and the Situation: it is important to recognize that behavior always occur within a particular situation or context. Behavior is always a complex interaction of the person and the situation. Sometimes, the demands of the situation may be so overwhelming that individual differences among people seem relatively unimportant. For example, if a room catches on fire, everyone in it may flee, yet the observation that everyone behaved in the same way certainly says nothing about important differences among the individuals involved. In other cases, individual differences may explain larger amounts of behavior. For example, there are situations employees received the same directions and information from their supervisor, yet exhibited very different behaviors because of important individual differences among them. There is

considerable evidence for both personality and situational determinants of behavior. To understand behavior in complex social settings, such as organizations there are advantages to taking an interactions perspective which examines both the person and the situation in which the person is behaving in order to fully understand and explain the individual's behavior. The interactionist perspective is increasingly important for understanding OB.

Some Basic Measuring Personality: Physical traits such as height and weight can be measured quite easily and directly by using simple devices such as a tape measure or a scale.

But the various aspects of personality cannot be assessed quite so simply. For example, there are no rules for measuring self –esteem. However, there are several methods for quantifying the various information about personality characteristics which is in great demand.

Objective and Projective Tests: (The major assessment techniques) such as inventories and questionnaires are the most the most widely used method for assessing personality. These consist of a series of questions o statements to which individuals respond in various ways. For example a questionnaire may ask respondents to indicate whether each set of the statements about themselves is true or false – the extent to which they agree or disagree with various sentences or which of a pair of name activities they prefer. Their answers are then scored by means of special keys and compared with the scores obtained by 100s or 1000s of other people who have taken the test previously. In this way, an individual's relative standing on the trait being measured can be determined because such tests can be scored directly without requiring any special interpretation of the responses, they are called objective.

Projective tests are situations in which people respond to ambiguous stimuli. Responses to projective tests reflect various aspects of people's personalities and require scoring and interpretation by trained professionals.

To be useful, both types of tests must be reliable (yield consistent measurement overtime) and valid (measure what they purport to measure – the extent to which a test actually measures what it purports to measure). Reliability therefore is the extent to which test yields consistent scores on various occasions and the extent to which all of its items measure the same construct.

PERCEPTION

Why study Perception? It is perhaps one topic which most directly sets social science apart from the natural sciences. Human beings attach meanings, interpretation, values and aims actions. What we do in the world depends on how we understand our place in it, how we perceive

ourselves, our social and physical environment and our circumstances. We explain behavior with terms like reasons, motive, intention, purpose, desire, and so on. Physicists, chemists and engineers do not face this complication in coming into grips with their subject matter.

The issue is – we each perceive the world around us in different ways. It is our personal perception of that reality which shapes and directs our behavior and not some objective understanding of external reality. For example, if one person on a hill side perceives that it is cold, they will reach for their sweater. If the person standing next to them perceives that it is warm, they will remove their sweater. Thus, human behavior is a function of the way in which we perceive the world around us, and how we perceive other people and events in that world.

What is perception? It is the process of receiving information about and making sense of our environment. This includes deciding which information to notice as well as how to categorize and interpret it. Thus, it is the process of becoming aware of objects and events from the senses (Pearson et al, 2003). Passive perception is perception in which people are simply recorders of stimuli. Active perception in which our minds select, organize and interpret that which we sense. Subjective perception is uniquely constructed meaning attributed to sensed stimuli.

The Perception Process: We process and interpret the incoming raw data in the light of our past experiences, in terms of current need and interests, our knowledge, expectations, beliefs and motives. Perceptual process begins when environmental stimuli are received through our senses. Most stimuli are screened out, the rest are organized and interpreted based on various information processing activities. The resulting perceptions influence our emotions and behavior toward those objects, people and events.

We have a similar nervous system and share more or less common sensory equipment. However, we have different social and physical backgrounds which give us different values, interests and expectations and therefore different perceptions. We do not behave in, and in response to, the world ‘as it really’. This idea of the real world is somewhat arbitrary. The real world as a concept is not a useful starting point for developing an understanding of human behavior in general or organizational behavior in particular. We behave in and in response to the world as we perceive it and live in a perceptual world. The individual’s perceptual world is a personal internal image, map or picture of their social, physical and organizational environment. However in a detailed analysis, our perceptual worlds are unique which make life interesting but give us problems.

We can control some aspects of the perceptual process simply by being consciously aware of what is happening. These are many settings where such control is desirable and can avoid dangerous and expensive errors.

Understanding the characteristics of perception can be useful in a variety of organizational setting. For example the design of aircraft instrumentation and display for pilots, the conducts of selection interviews for new employees, handling disputes employee grievances.

Why Do Differences in Perception Occur?

Physiological factor: You are not physiological identical to anyone else. People differ from each other in height, weight, body type, sex and senses. You may be tall or short, have poor eyesight, or have impaired hearing; you may be particularly sensitive to smells; or your body temperature may be colder than the rest of your family's body temperatures.

Sex is another physiological factor that may lead to perceptual differences. Some authors have suggested that hemispheric differences in the cerebral cortex of the brain are sex-linked. One study showed that these differences account for female's language facility and fine hand control and males spatial make mathematical abilities, as well as their increased likelihood of dyslexia, stuttering, delayed speech, autism, and hyperactivity (Restak, 1984). Regardless of these findings, experts have found no conclusion evidence establishing an anatomical difference between the brain structures of the human females and males.

Differences in perception also may arise from temporary conditions. A headache, fatigue, or a pulled muscle can cause you perceive a critical comment when a friendly one is being offered. You may not see a stop sign if your thoughts are elsewhere. Similarly if are tired, you may perceive stimuli differently than you do when you are well rested. Other physiological needs, such as hunger and thirst, may also affect your perceptive skills.

Past Experiences and Roles: Just as your size, sex, and physical needs can affect can affects your perceptions, so can your past experiences and various roles. The concept that best explains the influence of your past experiences on your perception is perceptual constancy; *the idea that your past experiences lead you to see the world a way that is difficult to change; your initial perceptions persist.* What happened to you in the past also influence your perception of the present and future. A bad experience in a given situation may cause you to avoid that situation in the future. Your experiences affect how you respond to professor, police, politicians, and lawyers.

Roles also influence perceptions. A role is “*that part an individual a group; an individual’s function or expected behavior*”. (DeVelto, 1986, p.269). You may a student, a mother or father, a political leader or a business major. Your roles affect your communication: whom you talk to, how you talk to people the language you use, and the way you respond to feedback. A good example of how perceptual constancy and role are related is how parents treat their children. Even after some people become adults, their parents still treat them like they did when they were growing up. Roles also tend to change with context: in your parents’ home you are a daughter or son: in your own home you may be roommate or mother or father; in the classroom you are student; and at work you may be editor or a manager.

Culture and Co-culture: the people greet each other, position themselves when they talk, and even eat and sleep are all influence by culture. Culture can be defined as a *system of shared beliefs, values, customs, behaviors, and artifacts that the members of society use to cope with one another* within their world. Marshall R. Singer (1982), an intercultural communication researcher, maintains that what people see, hear, taste, touch, and smell are conditioned by their culture. He says that people’s perceptions are largely learned, the greater the experience differences among people, the greater the disparity in their perceptions. Conversely, the more similar their backgrounds, the more similarly they perceive the world.

To complicate matters further, your co-culture also affects your perceptions of the world. A *Co-Culture* is “*a group whose beliefs or behaviors distinguish it from the larger culture of which is a part and with which it shares numerous similarities*”. (De Vito, 1986). Four of the most common co-cultures in the United States today are Latinos, African Americans, women and gays and lesbians (Sarmovar, Porter and Stefani, 1998). Women and men, for example, tend to see the world differently. Women tend to see talks as relational, as a way to share and understand feelings, and men tend to see talk as instrumental, as a way to achieve a task. (Person 1995).

Present feelings and Circumstances: Your daily monthly or yearly cycle may affect how you perceive stimuli if you are an “evening person”, you might not be able to discriminate among multi-choice answers on an exams at 8 am as well as you could later in the day, if you are having a bad week, you might be offended by the humor of one of your friends, later in the month, you might find the same remark very funny. You might perceive stimuli more accurately in the cooler months of winter than you do in the warmer summer months.

If you have ever spent a night alone in a large house, a deserted dormitory, or unfamiliar residence, you probably understand that perceptions are altered by circumstances. Most people

experience a remarkable change in their hearing at night when they are alone. They hear cracking, whining, scrapping, cracking sounds but during the day. The lack of other stimuli including light, other sounds and other people with whom to talk – coupled with a slight feeling of anxiety provides circumstances that results in more acute hearing.

What occurs in Perception? From a psychological point of view, the process of sensation on one hand and perception on the other, work together through what are respectively term as “bottom-up” and “top-down” processing. The following occurs in perception.

- a. Selection: the bottom-up phase concerns the way in which we process the ‘raw’ data received by our sensory apparatus. One of the key characteristics of bottom-up processing concerns need for selectivity. We are simply not able to process all of the sensory information available to us at any given time. Bottom-up processing screens or filters out redundant and less relevant information so that we can focus on what is important.

The top-down phase on the other hand, concerns the mental processing that allows us to order, interpret and make sense of the world around us. One of the key characteristics of top-down processing concerns our need to make sense of our environment and our search for meaning.

The distinction between sensation (bottom-up) and perception (top-down) can be illustrated in our ability to make sense of incomplete or even incorrect sensory information. For example, the missing letter or comma or the incorrectly spelled term does not normally interfere with the comprehension of the human–reader. (the sentence is incorrect, but you will still be able to understand it) our top-down conceptual processing ability means that we are able to fill in the gaps and correct the mistakes and thus make sense of imperfect incoming raw data.

Perception is a dynamic process because it involves ordering and attaching meaning to ‘raw’ sensory data. Our sensory apparatus is bombarded with vast amounts of information. Some of this information comes from people, objects and events in the world around us. We are not passive recorders of this sensory data but are constantly shifting and sorting this streams of information making sense of it and interpreting it. Perception therefore is an information processing activity. This information processing is fairly well understood and concerns the phenomena of selective attention and perceptual organization. This, selective attention is the ability often exercised unconsciously to choose from the steam of sensory data to concentrate

on particular elements and ignore others. In other words, it is the process of filtering (screening out information received by our senses. Habituation concerns the decrease in our perceptual response to stimuli once they have become familiar.

Characteristics of the Perceiver: selective attention is partly influenced by the receiver's emotions. We tend to remember information that consistent with our attitudes and ignore information that is inconsistent. For example, interviewers who develop positive feelings toward a job applicant early in the interview tend to subsequently screen out negative information about that candidate. In extreme cases, our emotions screen out large blocks of information that threaten our beliefs and values. This phenomenon (perception defense) protects our self-esteem and may be a coping mechanism to minimize stress in the short run. Thus, perceptual defense is a psychological process that involves subconsciously screening out large blocks of information that threaten the person's beliefs and values.

Our expectations which are shaped by pre-conceive ideas also condition use to be "ready" for certain events and ignore others. For instance, if we believe that professors are forgetful, then we notice information that confirms this belief and tend to screen out contradictory evidence.

b. **Perceptual Organization:** Perceptual organization is the process by which people group environmental stimuli into recognizable patterns. Also, it is the grouping of stimuli into meaningful units or wholes. In the perceptual process, once selection has occurred, organization takes over. The stimuli selected for attention are now seen as a whole. For example, all of us have a mental picture of an object with the following properties; wood, four legs, a seat, a back and armrests. This is our image of a chair. Thus, we have organized the incoming information into a meaningful whole.

There is a great deal of how the human mind assembles, organizes and categorizes information. However, certain factors in perceptual organization such as figure and ground principle, perceptual grouping, etc. are considered to be important.

i. **Figure and Ground Principle:** Figure is the focal point of a person's attention and Ground is the background against which a person's focused attention occurs. It states that people tend to perceive the factors they are most attentive to as standing out against a background. When there is no clear figure and ground pattern, reversible figure ground patterns occur. Thus, life would be very difficult if we were constantly confronted with such figure ground ambiguity. However, the figure and ground principle is an important aid in understanding the world.

- ii. **Perceptual Grounding:** it is the tendency to form individual stimuli into a meaningful pattern by such means as continuity, closure, proximity or similarity.

Continuity: is the tendency to perceive objects as continuous patterns. Continuity is a useful organizing principle but it may also have negative aspects. For example the tendency to perceive continuous patterns may result in an inability to perceive uniqueness and detect change.

Closure: It is another way of organizing stimuli. The tendency to complete an object so that it is perceived as a constant, overall form; it is the ability to perceive the whole object, even though only part of the object is evident. Thus, closure is the tendency to fill in missing information in order to complete an otherwise incomplete figure statement. You might see a picture of a cat but the figure is incomplete. You can see a cat only if you are willing to fill in the blank areas.

Closure also functions in your communication interactions. You see two people standing face-to-face and looking deeply into each other's eyes and you will "fill in" your inference that they are lovers.

Proximity: This principle states that a group of objects may be perceived as related because of their nearness to each other. Often employees working together in a department are perceived as a t their office building quit their jobs. Even if they did so for completely unrelated reasons, the HRD may perceive it as a problem on the floor and examine morale, pay and working, conditions there, in an attempt to determine what is wrong.

Similarity: It states that the more like objects are, the greater is the tendency to perceive them as a common group. Similarity is very important in most team sports, thus the use of uniforms. Many organizations especially those in buildings with open floor plans, color code the partitions and other accessories of each department to visually define separate functions and responsibilities. An organization might require visitors to its plants to wear yellow hard hats while employees wear white hard hats. Employees can then easily identify people who are unfamiliar with every day precautions and routines when they are in work area. These principles, and in general the ways to make sense of the world are not something that managers and organizations can safely ignore.

- c. **Interpretation:** the third activity you engage in during perception is interpretation. It is the process of assigning meaning to stimuli. Interpretive perception then is a blend

internal states and external stimuli. The more ambiguous the stimuli are, the more room for interpretation. The basis for the well-known inkblot test lies in the principle of interpretation of stimuli.

When interpreting stimuli, people frequently rely on the context in which the stimuli are perceived or they compare the stimuli to other stimuli. Sometimes context helps, but other times it can create confusion in interpretation.

You can become so accustomed to seeing people, places and situations in a certain way that your senses do not pick up on the obvious. Many people who read the following sentence will overlook the problem with it.

The cop saw the man standing on the street corner.

We achieve closure of the sentence and interpret its meaning without consciousness of the details, so the repeated “the” is overlooked. Context provides cues for how an action, an object or a situation is to be interpreted or perceived. Not seeing the double the in the sentence would be no problem for a reader trying to comprehend meaning, but a proof-reader’s job would be in jeopardy if such an error was missed often.

HOW WE DO PERCEIVE OTHERS

Accuracy of Judgment in Person Perception: Once we understand the active nature of perception and that people hold unique perceptions as a consequence, we can understand that we might make errors when we perceive other people.

How accurate are people in their perception of others. Thus is an important question OB. For example, misjudging characteristics, abilities or behaviors of an employee during a performance appraisal review could result in an inaccurate assessment of the employee’s current and future contributions to the firm. Another organizational example comes from the employment interview, where judgmental and perceptual errors could be made by interviewers who are forced to make employment decisions based on information gathered from a face-to-face interview. The more common errors include:

Similarity Error: interviewers are positively predisposed toward job candidates who are similar to them, for example, background, interests, and negatively biased against job candidates most unlike them.

Contrast Error: Interviewers have a tendency to other candidates interviewed at the same rather to some absolute standard. For example, an average candidate might be rated too highly if she were preceded by several mediocre candidates, a candidate might be scored too low if preceded by an outstanding applicant.

Overweighting of negative information: They tend to over re-act to negative information as through looking for an excuse to disqualify a job candidate.

First Impression Error: Sometime interviewers tend to form impressions quickly that are resistant to change. People can learn to make more accurate judgments in person perception. For example, our perceptions of others will be more accurate if we can avoid;

1. Generalizing from a single trait to a whole constellation of traits.
2. Assuming that a single behavior will show itself in all situations
3. Placing too much reliance on physical appearance.

Since a person's perception is influenced by the characteristics of the perceiver and the situation, accuracy in person perception can be improved when the perceiver understands these potential biases as well.

Impression management: In some situations we all attempt to project our attitudes, personality and competence by paying particular attention to our appearance and the impact this may have on others. This has been labeled 'impression management' and the selection interview is an obvious illustration. Some information is given more weight than other information when an impression is formed. It would seem that there are central traits which are more important than others in determining our perceptions.

One of these central traits is the degree to be critical in the impressions we form. For example, information heard first tends to be resistant to later contradictory information. In other words, the saying that first impression counts is supported by research and is called the primary effect. It has also been shown that a negative first impression is more resistant to change than a positive one. However, if there is a break in time we are more likely to remember the most recent information 'the recency effect'

Dealings with other people: There are a number of well documented problems which arise when perceiving other people. Many of these problems occur because of our limitations in selecting and attending to information. This selectively may occur because:

1. We already know what we are looking for and are therefore 'set' to receive only the information which confirms our initial thoughts; or
2. Previous training and experience have led to short-cut and only see a certain range of behaviors; or
3. We may group features together and make assumptions about their similarities.

The Gestalt principles apply equally to the perception of people as to the perception of objects. Thus, we can see, for example, that if people live in the same geographical area, assumptions may be made about not only their wealth and type of accommodation but also their attitudes, their political views and even their type of personality.

The Important of Body Language: Body language and non-verbal communication have significance in the perception process. This includes inferences drawn from posture, invasions of personal space, and the extent of eye contact, tone of voice or facial expressions. People are the only animals that speak, laugh and weep. Actions are more cogent than speech, and humans rely heavily on body language to convey their true feelings and meanings. It is interesting to note how emotions are woven creatively into email messages. Using keyboard signs in new combinations has led to a new e-language. For example to signal pleasure :), or unhappiness:-c, or send a rose @>→ encapsulate feelings as well as words. The growth of this practice has led to an upsurge of web pages relate with examples.

According to Mehrabian, in our face-to-face communication with other people the message about our feelings and attitudes come only 7 percent from the words we use, 38 percent from our voice and 55 percent from body language, including facial expressions. Significantly, when body language such as gestures and tone of your voice conflicts with word, greater emphasis is likely to be placed on the non-verbal message.

Although actual percentages may vary, there appears to be general support for this contention. For example, it is commonly agreed that 80 percent of communication is non-verbal; 'it is carried in your posture and gestures, and in the tone, pace and energy behind what you say'. 'accepted wisdom from the experts is that the non-verbal signals should be the ones to reply on, and that what is not said is frequently louder than what is said, revealing attitudes and feelings in a way words can't express. In a sense, we are all experts on body language already and this is part of the survival instinct.

Even in a 'safe' environment like an office or meeting room you will feel a pull on your gaze each time someone new enters the room. And whether you want to or not, you will start to form

opinions about a person in a little three seconds. You can try to be fair and objective in your evaluation, but you have little choice. This is an area where the subconscious mind bullies the conscious into submission. Like, dislike, trust, love or lust can all be promoted in as long as takes to clear your throat. In fact most of these responses will be based on your perception of how the person looks.

In our perceptions and judgments of others it is important therefore to watch and take careful note of their non-verbal communication. However, although body language may be a guide to personality, errors can easily arise if too much is inferred from a single message rather than related cluster of actions. For example, you won't learn to interpret people's body language accurately, and use your own to maximum effect without working at it. If you consciously spend half an hour a day analyzing people's sub conscious movements, you'll soon learn how to do it almost unconsciously. However, with a little knowledge about the subject it is all too easy to body conscious. Posture and gesture can unmask deceivers. Nevertheless, an understanding of non-verbal communication is essential for managers and other professions where good communication skills are essential.

Culture Differences: There are many cultural variations in non-verbal communications, the extent of physical contact, and differences in the way body language is perceived and interpreted. For example, Italians and south Americans tend show their feelings through intense body language, while Japanese tend to hide their feelings and have largely eliminated overt body language for interpersonal communication. When talking to another person, the British tend to look away spasmodically, but Norwegians typically look people steadily in the eyes without altering their gaze. When the Dutch point a forefinger at their temples, this is likely to be a sign of congratulations for a good idea, but with other cultures the gesture has a less complementary implication.

In many European countries it is customary to greet with three or kisses on the cheek and pulling the head away may mean a sign of impoliteness. All cultures have specific value related to personal space and 'comfort zone'. For example, Arabs tend to stand very close when speaking to another person but most Americans when introduced to a new person will, a shaking hands, move backwards a couple of steps to place a comfortable space between themselves and the person they have just met.

Perceptual Set: It an individual's pre-disposition to respond to events in a particular manner, perceptual set is also known as mental set. As we tend to perceive what we expect to perceive this can also be called our perceptual expectations.

ATTRIBUTION THEORY

Part of the process of perceiving other people, is to attribute characteristics to them. We judge their behavior and their intentions on past knowledge, and in comparison with other people we know. It is our way of making sense of their behavior. This is known as attribution theory. Attribution, in general, is the ascribing of something or somebody. Attribution is the process by which people interpret the perceived causes of behavior. The initiator of attribution theory is generally recognized as Heider, who suggests of that behavior is determined by a combination of perceived internal and external forces.

- a. Internal forces related to personal attributes such as ability, skill, and amount of effort or fatigue.
- b. External forces related to environmental factors such as organizational rules and policies, the manner of supervisors, or weather.

Behavior at work may be explained by the locus of control. That is whether the individual perceives outcomes as controlled by themselves, or by external factors. Judgments made about other people will also be influenced by whether the cause is seen as internal or external.

Basic Criteria in Making Attributions: In making attributions and determining whether an internal or external attribution is chosen, there are three basic criteria; distinctiveness, consensus and consistency.

Distinctiveness: how distinctive or different was the behavior or action in this particular task or situation compared with behavior or action in other tasks or situations? That is the extent which the person perceived sets in the same manner in different situations.

Consensus: Is the behavior or action different from, or bin keeping with that displayed by most other people in the same situation?

Consistency: Is the behavior or action associated with an enduring personality or motivational characteristics over time, or an unusual one-off situation caused by external factors? Also, it is the extent to which the person perceived behaves in the same manner on other occasions when faced with the same situation.

People attribute behavior to internal forces or personal forces when they perceive low distinctiveness, low consensus and high consistency. Behavior is attributed to external forces or environmental factors when people perceive high distinctiveness, high consensus, and low consistency.

An additional consideration in the evaluation of task performance within an organizational setting is whether the cause of behavior was due to 'stable' or 'unstable' factors.

- a. Stable factors are ability, or the ease or difficulty of the task.
- b. Unstable factors are the exertion or luck.

The combination of internal and external attributions, and stable and unstable characteristics, results in four possible interpretations of a person's task performance.

Classification for Possible Attributions for Performance.

	Internal attributions	External attribution
Stable factors	ABILITY	TASK DIFFICULTY
Unstable factors	EFFORT	LUCK

IMPLICATIONS OF ATTRIBUTION THEORY: Employees with an internal control orientation are more likely to believe that they can influence their level of performance through their own abilities, skills or efforts. Employees with an external control orientation are more likely to believe that their level of performance is determined by external forces beyond their influence.

Studies appear to support the idea that staff with an internal control orientation are generally more satisfied with their jobs, are likely to be in managerial positions, and are more satisfied with a participatory style of management staff with an external control orientation. As a generalization it might be implied that internally controlled managers are more effective than those who are externally controlled. However, this does not appear to be always the case.

People with a high achievement motivation may perceive that successful performance is caused by their own internal forces, and their ability and effort, rather than by the nature of the tasks or by luck. If members of staff fail to perform well on their tasks, they may believe that external factors are the cause, and as a result may reduce the level of future effort. On the other hand, if recognition and reward may not be given. If the staff perceives that good performance was due to ability and or effort, the lack of recognition and reward may well have a de-motivating effect.

PERCPTUAL ERRORS

- 1. Perceptual defense:** Is the tendency to avoid or screen out certain stimuli that are perceptually disturbing or threatening. People may tend to select information which is supportive of their point of view and choose not to acknowledge contrary information. It is a kind of defense mechanism in which you ignore or minimize damaging or harmful information. Once established, our way of viewing the world may become very resistant to change. For example, a manager who has decide recently to promote a member of staff against the advice of colleagues may select only favorable information which supports that decision and ignore less favorable information which questions that decision. Also, an employee who really enjoys his work, likes most of his colleagues and is satisfied with his pay might simply ignore some aspect of his experience that is negative such as an irritating co-worker.
- 2. Stereotyping:** Is the tendency to assign attributes to someone solely on the basis of a category in which that person has been placed. It occurs when we offer an oversimplified standard image of a person because of his or her group membership. We expect someone identified as doctor. Minister etc. to have certain attributes. A person categorized as a drop-out, convict, etc. is automatically perceived negatively. Even identifying an employee by such broadcasting categories as 'old worker' or 'female' can lead to misperceptions. The perceiver may dwell on certain characteristics expected of all persons in the assigned category and fail to recognize the characteristics that distinguish the person as an individual.
- 3. Halo-effect:** Is the process by which the perceiver evaluates all dimensions of another person based solely on one impression, either favorable or unfavorable. It is generalization of all attributes based on one attribute, which can be negative or positive. A halo binds the

perceiver to other attributes that should be evaluated in attaining a complete accurate impression of the other person. The halo-effect often plays a major role in employee performance rating. A manager may single out one trait and use it as the basis for judgment of all other performance measures. For example an excellent attendance record may produce judgments of high productivity quality work and industriousness, whether they are accurate or not.

4. **The Rusty Halo-effect:** This is where general judgments about a person are formulated from the perception of a negative characteristic. For example, a candidate is seen arriving late for an interview. There may be very good reason for this and it may be completely out of character. But on the basis of that one particular event the person may be perceived as a poor time keeper and unreliable. Another example may be a new member of staff who performs poorly in a first major assignment. This may have been due to an unusual set of circumstances and not typical behavior, but the person may still be perceived as a bad appointment.
5. **Recency effect:** This occurs when a person recalls recent information and allows it to affect his assessment of a person at the current time. Imaging that you come to class late and the lecturer is irritated by your tardiness. During the class period you give a short speech and the lecturer grades harshly even though the speech is quite good the lecturer might be making the perceptual error of recency, that is, remembering your belated arrival and giving you a lower grade as a result.
6. **Projection** may result in people exaggerating undesirable traits in others that they fail to recognize in themselves. Perception is distorted by feeling emotions. For example, a manager who is concerned about possible redundancy may perceive other managers to be even more concerned. People have a tendency to perceive less favorably by projecting certain of their own feelings or characteristics to them another example, is that supervisors may complain that their manager did not work hard enough to secure additional resources for the department, when in fact the supervisors failed to provide the manager with all relevant information and statistics. Thus, projection is way in which we protect ourselves for acknowledging that we may possess undesirable traits and assign them in exaggerated amounts to other people. For instance, a manager who considers all subordinates as insincere may be projecting one of the manager's own characteristics.

PERSON PERCEPTION; ERRORS AND AVOIDANCE

The main sources of person perception errors include:

1. Not counting enough information about other people.
2. Raising our judgment on information that is irrelevant or insignificant.
3. Seeing what we expect to see and what we want to see, and not investigating further.
4. Allowing early information about someone to affect our judgment, despite later and contradictory information.
5. Allowing our own characteristics to affect we see in other and how we judge them.
6. Accepting stereotypes uncritically.
7. Attempting to decode non-verbal behavior outside the context in which it appears.
8. Basing attributions on flimsy and potentially irrelevant evidence.

The remedies therefore include:

1. Taking more time and avoid instant or 'snap' judgment about others.
2. Collect and consciously use more information about other people.
3. Develop self-awareness and an understanding of how our personal biases and preferences affect our perceptions and judgments of other people.
4. Check our attributions – assumptions we make about the causes of behavior, particularly the links we make between aspects of personality, appearance on the one hand and behavior on the other.

IMPROVING OUR UNDERSTANDING OF OTHERS

1. Have a well-developed knowledge of ourselves – strengths, preferences, flaws and biases.
The development of self-knowledge can be an uncomfortable process.
2. In the organizational setting, we are constrained in the expression of feelings (positive or negative) about other people, due to cultural or social norms, and communication barriers erected by status and power differentials.

This may in part explain the enduring appeal of training courses in social and interpersonal skills, self-awareness, and personal growth designed to help overcome these problems, gets in touch with other people and get in touch with ourselves.

Training in interpersonal communication skills typically emphasizes openness and honesty in relationships, active listening skills, sensitivity to non-verbal behavior, and how to give and receive both critical non-evaluative feedbacks.

ORGANIZATIONAL LEARNING /ORGANIZATIONAL SOCIALIZATION

“The people and learning are what’s primary” says Tracy Amabile, a thirty – something employee. “ I am here because I keep learning, whenever I start to get a little bored, a new project comes along with opportunities for learning”, said by John Waterman. These statements underscore the importance of organizational learning

Learning is a relatively permanent change in behavior (or behavior tendency) that occurs as a result of a person’s interaction with the environment. Behavior change is the evidence of learning. For example, if team leader had the tendency to be blunt or rude to ward co-worker but does not act this way anymore, then we say that he or she has learned to interact with others more effectively. Learning occurs when behavior change is due to interaction with the environment. This means that we learn through our senses, such as through study, observation, and experience. Note that learning requires a relatively permanent change in behavior. This

distinguishes learning from situational contingencies that cause short-term behavior changes. (McShane, 2000:40)

Learning influences ability, role perceptions, and motivation in the model of individual behavior informal learning processes. With respect to ability employees develop competencies through formal and informal learning processes. They clarify role perceptions through learning. Lastly, learning is a basic assumption behind many theories of motivation. For example, employees learn to expect certain rewards following their behaviors and performance. Feeling of accomplishment and other forms of need fulfillment would be difficult or impossible if employees did not receive information about their work and reactions from co-workers.

Along with its role in individual behavior, learning is essential for knowledge management any structured activity that improves an organization's capacity to acquire, share and utilize knowledge that enhances is survival and success. Specifically, it motivates employees to acquire and share knowledge from their interactions with customers, and provides opportunities for them to learn from others.

Learning Explicit and Tacit Knowledge: When employees learn acquire both explicit and tacit knowledge. Explicit knowledge is organized and can communicate from one person to another. The information you receive in a lecture is mainly explicit knowledge because instructor packages and consciously transfers it to you. Explicit knowledge can be written down and given to other.

Most of what we know is the tacit knowledge. Tacit knowledge is the idea that we know more than we can tell. Tacit knowledge is embedded in our actions and ways of thinking but it is not clearly understood and therefore cannot be explicitly communicated. The knowledge and skills you want to give to others are not sufficiently articulated so they cannot be communicated through verbal messages. And because tacit knowledge is not documented it is quickly lost when employees leave the organization. Tacit knowledge is acquired through observation and direct experience. For example, airline pilots do not learn how to operate a commercial jet through lecture. They muster the necessary skills by watching the subtle details as others perform the tasks and by directly experiencing this complex interaction of behavior with the machine's response. Similarly, organizations acquire tacit knowledge when employees experiment with new technologies or work on unique problems for clients.

Learning – both and explicit – occurs in many ways. The four perceptives of learning are reinforcement, feedback, social learning (observation) and direct experience.

1. ***Behavior Modification Learning Through Reinforcement:*** The definition of learning recognizes that people learn through their interaction with the environment. This idea is central to one of the oldest perceptives of learning, called behavior modification, also known *operant conditioning*, operant learning and reinforcement theory. Behavior modification argues that we learn from previous interactions with the environment to alter our behavior in such a way that we maximize positive consequences and minimize adverse consequences. In other words, past experience teaches us how to operate on the environment so that we receive desired consequences from that environment. Behavior modification emphasizes behaviors. Researchers call them operant behaviors because they “operate” on the environment – they make the environment respond in ways that want. Operant behaviors are different from respondent behaviors, such as automatically your hand from a hot stove element, etc. the environment causes respondent behaviors, whereas people voluntarily engage in operant behaviors to cause environmental responses. The attention here is focused on the operant behavior because they represent most learned behavior in organizational setting. The behavior modification is the law of effect. According to *the law of effect*, the likelihood that an operant behavior will be repeated depends on its consequences. If behavior is followed by a pleasant experience, then the person will probably repeat the behavior. If the behavior is followed by pleasant experience or by no response at all, then the person is less likely to repeat it. The law of effect explains how people learn to associate behaviors with specific environmental responses.
- a. **Operant conditioning theory:** According to operant conditioning theory developed by psychologist B.F. Skinner, people learn to perform behaviors that lead to desired consequences and learn not to perform behaviors that lead to undesired consequences. This theory means that people will be motivated to perform at a higher level and attain work goals to the extent that higher performance and attainment allow them to obtain outcomes they desire. Similarly, people avoid performing behaviors that lead to outcomes they do not desire. By linking the performance of specific behaviors to attainment of specific outcomes managers can motivate organizational members to perform ways that help an organization to achieve its goals.

The theory provides four tools for managers to use to motivate high performance and prevent workers from engaging in absenteeism and other behaviors that detract from organizational effectiveness.

- i. These are positive reinforcement, which is giving people outcomes they desire when they perform organizationally functional and acceptable behaviors. These desired outcomes called positive reinforcers include pay, praise or promotion, etc.
- ii. Negative reinforcement is eliminating or removing undesired outcomes when people perform organizationally functional behaviors. These undesired outcomes, called negative reinforcers can range from a manager's constant nagging or criticism to unpleasant assignment to ever-present threat of losing one's job.
- iii. Next, is identifying the right behaviors for reinforcement. Managers should identify the right behaviors to reinforce behaviors that are truly functional for the organization. Managers must choose behaviors over which subordinates have controls, that is, subordination must have the freedom and opportunity to perform the behaviors that are being reinforced. The behavior must contribute to organizational effectiveness.
- iv. Reinforcement could be continuous or intermittent. For continuous reinforcement, even desired behavior is reinforced with intermittent; the reward is given based on passage time or output.

Extinction: This attempt eliminates or reduces undesirable behavior by withholding reinforcement when the behavior occurs. For example, an employee who is late for a meeting is not rewarded with praise: or a pay rise is withheld until the employee performs to standard.

Punishment: Is administering an undesired or negative consequence when dysfunctional behavior occurs. For example, employee who is late for a meeting is reprimanded.

- b. **A-B-Cs of Behavior Modification:** Behavior modification helps us to understand how environmental contingencies influence learning and behavior. There are two contingencies of behavior, the antecedents that precede behavior and the consequence that follow behavior. Together these elements form the A-B-C model. The central objective of behavior modification is to change behavior (B) by managing its antecedents (A) consequences (C). Antecedents are the events preceding the behavior informing employees that certain behaviors will have particular consequences. These antecedents signal employees to establish certain behaviors in order for certain consequences to occur. Although antecedents are important, behavior modification mainly focuses on the consequences of behavior. Consequences are events following a particular behavior that influence its future occurrence. If behavior is followed by a pleasant experience, then the person is more likely to repeat the behavior.

- c. **Contingencies of Reinforcement:** Behavior modification identifies four types of consequence, collectively known as the contingencies of reinforcement, which strengthen, maintain or weaken behavior. These are positive and negative reinforcements, punishment and extinction. (Please refer to the previous notes on these). All these four reinforcement contingencies are found in organizations but which one is the best? However, punishment and negative reinforcement are sometimes necessary when the behavior is extreme, for example, deliberately hurting a co-worker or stealing. This may attract punishment such as dismissal, suspension; demotion, etc. unfortunately tend to be inconsistent in their administration of punishment, so a justice through discipline is an elusive goal.
- d. **Schedules of Reinforcement:** Along with the types of consequence, behavior modification identifies the schedule that should follow to maximize reinforcement effect. In fact there are some evidence that scheduling the reinforce affects learning more than the size of the reinforcer. Behavior modification theorists have identified five schedules of reinforcement.
- i. One of these is ***continuous reinforcement***, that is, reinforcement every occurrence of the desired behavior. This produces the most rapid learning of targeted behavior. When reinforce is removed, extinction occurs quickly. Continuous reinforcement is most effective for employees learning new behaviors.
 - ii. **A fixed internal schedule** occurs when behavior is reinforced after a fixed time. Most people get their pay on a fixed internal schedule because their pay checks are received every week or two weeks or at the end of the month.
 - iii. **Variable Internal Schedule** involves administering the re-inforcer after a varying length of time. Promotions typically follow this schedule.
 - iv. **Fixed Ratio Schedule** reinforces behavior after it has occurred a fixed number of times. Some piece-rate systems follow this schedule where employees get paid after they produce a fixed number of units.
 - v. **Variable ratio schedule** reinforces behavior after it has occurred a varying number of times. Sales people variable ratio reinforcement because they make a successful sale (the reinforcer) after a varying number of client calls (lottery).
- e. **Shaping Complex Behaviors:** Behavior modification learning is more easily applied to simple routine behaviors. Complex tasks are difficult to master quickly, so learners receive little reinforcement. Yet without some early reinforcement, employees become frustrated as they continually fail to produce the ideal behavior. Scholars argue that social learning theory to be discussed later provides a better template r model for learning complex activities. However, behavior modification does advocate a process, called shaping, that

minimizes some problems with the lack of ideal behavior, then increasing the standard until only the ideal behavior is reinforced.

f. **Limitations of Behavior Modification:** It is not cost effective and certainly has a number of limitations.

- It cannot reinforce non-observable behaviors – it works well in observed behaviors such as work attendance but it is more difficult to reinforce conceptual activities such as making good decisions.
- Reinforcer tends to wear off – bonus that was once an unexpected surprise becomes an expected part of the employee relationship.
- Variable ratio schedule is a form of gambling – the variable ratio schedule may be best for maintaining behavior but it resembles a lottery.
- Ethical concerns about perceived manipulation – some critic say that behavior modification tries to manipulate employee's behavior and treat people as animals with low intelligence.

2. **Learning through Feedback:** Feedback is any information that people receive about the consequences of their behavior feedback may be an antecedent or a consequence, if we look at it from behavior modification perspective. As with other forms of learning, feedback has a powerful effect on behavior and job performance by improving role perceptions, ability and motivation. With respect to role perceptions, feedback allows people to know what behaviors are appropriate or necessary in a particular situation. For example, your boss might remind you to spend more time on certain activity and less on another.

Feedback improves employee ability to frequently providing information to correct performance problems. Employees develop better skills acquire job-related information by watching instrument dials nonverbal cues from customers. This is known as corrective feedbacks because it makes people aware of their performance errors and helps them correct those errors quickly. Feedback is a source of motivation because feedback fulfills personal needs and makes people certain tasks. Customer feedback has a powerful effect on employee motivation.

a. **Feedback sources:** Feedback can originate from social and nonsocial sources.

i. Social sources include supervisor's clients, coworkers and anyone else who provides information about employee's behavior or result. Some firms used multi sources

feedback, in which employees receive performance feedback from several people. This is often called 360 – degree feedback because feedback received from a full circle of people around the employee. In other organizations, feedback is submitted to a senior person who combines the result into a single performance appraisal report. Research suggests that multi-source feedback improves employee performance because this type of feedback provides more complete and accurate information than from supervisors alone.

ii. Non-social sources include computer networks and programmers which provide a good source of feedback. The information from nonsocial is considered more accurate than from social sources, for example, computer feedback. When employees want to improve their self-image, they seek out positive from social sources.

b. **Giving feedback effectively:** Whether feedback is received from a superior or computer printout, it should be specific, sufficiently frequent, timely, credible and relevant.

- Specific feedback: Feedback should include specific information such as “you exceeded your sales quota by 5 percent last month” This helps employees to redirect the focus and behavior.
- Frequent feedback: Feedback should be continuously available to employee’s nonsocial sources so that they can adjust the feedback frequency to suit their needs.
- Timely feedback: Feedback should be available as soon as possible so that employees see a clear association between their behavior and consequences.
- Credible feedback: Employees are more likely to accept feedback from trustworthy and credible sources.
- Relevant feedback: feedback must relate to individual’s behavior rather than to conditions beyond the individual’s control.

c. **Seeking feedback**

- Employees actively seek feedback through inquiry: Asking other persons or people about our performance and behavior.
- Employees often use other feedback: Seeking tactics such as monitoring. This involves scanning the work environment and the behavior of others for information cues. For example, executives monitor corporate data to determine whether their strategies have worked.

Some critics argue that monitoring is an invasion of employee privacy but employers has wide latitude to monitors behavior in the workplace. Companies argue that workplace monitoring gives employees more accurate feedback to improve product or service quality.

3. **Social Learning Theory:** Learning by Observation, Feedback and organizational behavior modification mainly consider learning through direct experience with the environment. However, we also learn by observing the behaviors and consequences of other people. Social learning theory states that much learning occurs by observing others and then modeling the behaviors that lead to favorable outcomes avoiding behaviors that lead to punishing consequences. There a 3 related features of social learning theory: behavioral modeling, learning behavior consequences and self-reinforcement.

a. Behavior modeling: People learn by observing the behaviors of a role model on the critical task, remembering the important elements of the observed behaviors and then practicing those behaviors. Behavioral modeling works best when the model is respected and the model's actions are followed by favorable consequences. For instance, recently hired college graduates should learn by watching a previously hired college graduate who successfully performs the task. Behavioral modeling is a valuable form of learning because tacit knowledge and skills are mainly required from in this way.

Behavioral modeling is also valuable because it enhances the observer's self- efficacy a person's belief that he/she has the ability, motivation and situational contingencies to complete a task successfully. People with high self-efficacy have a can do attitude towards a specific task and more generally, with other challenges of life. Behavioral modeling increases self-efficacy because people gain more self-confidence after seeking someone else do it than they are simply told what to do. Self-efficacy is also affected by initial experiences when practicing the previously modeled behavior.

b. Learning Behavior Consequences: A second element of social learning theory says that we learn the consequences of behavior in ways other than through direct experience. In particular, we learn by logically thinking through the consequences of our actions and by observing the consequences that other people experience following their behavior. On the first point, we often anticipate desirable or adverse consequences through logic. We expect either positive reinforcement or negative reinforcement after completing an assigned task and either punishment or extinction after performing the job poorly because it is a logical conclusion based on ethical values. We also learn to anticipate consequences by observing the experiences of other people.

c. Self-Reinforcement: The final element of social learning theory is self-reinforcement.

Self-reinforcement occurs whenever an employee has control over a reinforcer but does not take the reinforcer until completing self-set goal. For example, you might be thinking about taking a work break after you finish reading the rest of this book and not before. You could take the break right now, but you not us this privilege until you have achieved your goal of reading the whole book. Self-reinforcement has become increasingly important because employees are given more control over their working lives and are less dependent on supervisors to dole out positive reinforcement and punishment.

4. **Learning through Experience:** Corporate leaders traditionally view learning as a process of information delivery from a knowledgeable source such as an instructor or book to someone who lacks this knowledge. This certainly an efficient and controlled approach to learning. However, it overlooks the fact that most organizations operate in rapidly changing environment, and consequently, they need to adapt quickly by developing capability. They must encourage employees to question the status quo and to continuously discover new knowledge through direct experience experimentation. With this reality in mind, most organizations are discarding the notion that learning is measured by the number of hours employees spend in classroom. Instead, much learning occurs when employees directly interact with their environment, whether it is experimenting with a new software programmer or learning better forestry practices on-site from a trained co-worker.

Learning through experience is important because tacit knowledge and skills are acquired through experience as well as observation. Thus, much of our learning takes place while practicing new behaviors and watching the environmental responses to our actions. This relates to the concept of implicit learning which we acquire information about relationships in the environment without any conscious attempt to do so.

- a. **Practicing Learning through Experience:** Learning through experience must occur within learning culture. The organization or immediate work unit must value the process of individual and team learning. Action learning is another form of on-site, experiential-based learning. *Action learning* typically involves the formation of cross-functional teams that investigate an organizational problem or opportunity, write up their recommendation, and meet with senior executives to discuss their results. This is an effective way of learning leader roles, all over the world learn and or polish the skills needed to successfully operate a McDonald's restaurant.

It is important to note that most organizational training is not as formal as the approaches we have been describing. Still, training is involved in everyday job instruction in which employees simply are told about the job, shown how to do and allowed to practice as a more experienced co-worker watches and offers suggestions. Informal though it may be this also training, and it requires every bit as much attention to the principles of it to be successful as any formal method.

As you might imagine, no one approach to training is ideal. Some techniques are better suited to learning certain skills because they incorporate more principles of learning. Not surprisingly, the best training programmers often use many different approaches, thereby assuring that several different learning principles may be incorporated to training. If you recall some of the ways you learned skills such as how to study, drive, or use a word processor, you probably can appreciate some of the principles that help training effective. Four principles are most relevant.

1. **Participation:** People not only learn more quickly, but also retain the skills longer when they have actively participated in the learning process. This applies to the learning of both motor tasks as well as cognitive skills. For example, when learning to swim, there's no substitute for actually getting in the water moving your arms and legs. In the classroom, students who listen attentively to lectures, think about the material, and get involved in discussions tend to learn more effectively than those who just sit passively.
2. **Repetition.** If you know the old adage "Practice makes perfect," you are already aware of the benefits of repetition or learning. Perhaps you learn the multiplication table, or a poem, or a foreign language phrase by going over it repeatedly. Indeed, mentally "rehearsing" such cognitive tasks has been shown to increase our effectiveness at performing them. Scientists have established not only the benefits of repetition on learning, but have shown that these effects are even greater when practice is spread out over time than when it is lumped together. After all, when practice period are too long, learning can suffer from fatigue, whereas learning a little bit at a time allows the material to sink in.
3. **Transfer of training.** As you might imagine, for training to be most effective, what are learned training sessions must be applied on the job. In general, the more closed a training programmer matches the demands and conditions faced on a job, the more effective that training will be. A good example is the elaborate simulation devices used to train pilots and astronauts. More down to the earth is the equipment used in many

technical schools for people to learn skilled trades such as welding, computer repairs, and radiation technology. By closely simulating actual job conditions and equipment, training skills are expected transfer to the job. The same may said of training on supervisory skills. In this context research has shown that the benefits of training are best realized when the trainees attempt to apply their newly learned skills in organizations that accept the forms of supervision they learned. However, learning to supervise others in ways that may be resisted back on the job may be not only a waste of time, but potentially disruptive as well.

4. **Feedback.** It is extremely difficult for learning to occur in the absence of feedback, that is, knowledge of the result one's actions. Feedback provides information about the effectiveness of one's training. Of course, unless you learn what you already are doing well and what behaviors you need to correct, you probably be unable to improve your skills. For example, it is critical for people being trained as word processing operators to know exactly how many words they correctly entered per minute if they are to be able to gauge their improvement.

One type of feedback that has become popular in recent years is known as “**360 degrees**” **feedback** (the process of using multiple sources from around the organization to evaluate the work of a single individual). This goes beyond simply collecting feedback supervisors, as is customary, but extends the gathering of feedback from other sources, such as one's peers, direct reports (that is, immediate subordinates) and customers (even oneself). Many companies (General Electric, AT&T, Digital Equipment Corporation, Nabisco, and Warner-Lambert among them) have used 360 degrees feedback to give more complete performance information to their employees, greatly improving not only their own work but overall corporate productivity as well.

In sum, these four principles (*participation, repetition, transfer of training, and feedback*) are keys to the effectiveness of any training programme. The most effective training programmers are those that incorporate as many of these principles as possible. In recent years, large organizations have found it worthwhile not only to train their own employees, but also to train the employees of other companies with which they do business.

Organizational Behavior Management: Positively Reinforcing Desirable Organizational Behaviors

Earlier, in describing operant conditioning, we noted that the consequences of our behavior determine whether we repeat it or abandon it. Behaviors that are rewarded tend to be strengthened and repeat in the future. With this in mind, it is possible to administer rewards selectively to help reinforce behaviors that we wish repeated in the future. This is the basic principle behind **organizational behavior management** (also known as **organizational behavior modification**, or simply, **OB Mod**). Organizational behavior management may be defined as the systematic application of positive re-inforcement principles in organizational setting for the purpose of raising the incidence of desirable organizational behaviors.

To be effective in using organizational behavior management programs, managers should follow the steps outlined as follows.

1. *Pinpoint the desired behaviors.* That is, specify exactly what you want done differently, (for example, saying that you want to answer customers inquiries 50 percent quicker, instead of saying that you to improve customer service).
2. *Perform a baseline audit.* In other words, determine exactly how well people perform the behavior they wish to change (for example, how quickly do they currently answer calls?).
3. *Define a criterion standard.* Determine exactly what performance goal is being sought. For example, should all calls be answered within the first 30 seconds?
4. *Choose a reinforcer.* Decide exactly how the desired behavior will be rewarded. Will service agents be given a bonus for answering all calls received in a month within 30 seconds? If so, what form will be the bonus take? Many of today's companies have been using nonmonetary incentives, in part because they serve as reminders of one's accomplishments (a \$100 check can be gone in no time flat, but the reward value of a trophy on the mantle persists for a long time). Some nonmonetary incentives have quit exotic, such as the hot air balloon trips over the Napa Valley and mountain climbing expedition to the Swiss Alps offered by MCI Communications. But incentives need to be so elaborate: praise is a highly effective reinforcer in organizations, and an inexpensive one at that.
5. *Selectively reward desired behaviors that approximate the criterion standard.* In other words, the learning process may be facilitated by rewarding behaviors that come close to the desired level. So, for example, if agents are answering calls within 60 seconds, their

progress should be rewarded. But after a while, reward should only be given after the 50-seconds level is reached, then the 40-seconds level, and so on. The process of selectively reinforcing a behavior that approaches a goal is known as **shaping**. This technique, frequently used in training animals to perform tricks, applies equally well to teaching human beings to perform a desired behavior.

6. *Periodically reevaluate the program.* Is the goal behavior/still performed? Are the rewards still working? Changes in these events over times should be expected. As a result, administrators of behavior management programs must carefully monitor the behaviors they worked so hard to develop.

Organizational behavior management program have been used successfully to stimulate a variety of behaviors in many different organizations. For example, a particularly interesting and effective program has been in recent years at Diamond International, the Palmer, Massachusetts, company of 325 employees that manufactures Styrofoam egg cartons. In response to sluggish productivity, a simple but elegant reinforcement was put into place. Any employee working for a full year without an industrial accident is given 20 points. Perfect attendance is given 25 points. Once a year, the points are totaled. When employees reach 100 points, they get a blue nylon jacket with the company's logo on it and a patch identifying their membership in the "100 club". Those earning still more points receive extra awards. For example, at 500 points employees can select any of a number of small household appliances. These inexpensive prizes go a long way toward symbolizing to employees the company appreciation for their good work.

This program has helped improve productivity dramatically at Diamond international. After the inauguration of the OB Mod program, output improved 16.5 percent, quality-related error dropped 40, and grievance decreased 72 percent, quality-related errors dropped by 43.7 percent. The result of all this has been over \$1million in gross financial benefits from the company (and a much happier workforce). Needless to say, this has been a very simple and effective organizational behavior management program. Although not all such programs are equally successful, evidence suggests that they are generally quite beneficial.

Discipline: Eliminating Undesirable Organizational Behaviors

Just as organizations systematically use rewards to encourage desirable behavior, they also use punishment to discourage undesirable behavior. Problems such as absenteeism, lateness, theft, and substance abuse cost companies vast sums of money, situations many companies attempt to manage by using **discipline** (the systematic administration of punishment). By administering an

unpleasant outcome (for example, suspension without pay) in response to an undesirable behavior (for example, excessive tardiness), companies seek to minimize that behavior. In one form or another, using discipline is a relatively common practice. Survey research has shown in fact, that 83 percent of companies use some form of discipline, or at least threat of discipline, in response to undesirable behaviors. But as you might imagine, disciplinary action taken in organizations vary greatly. At extreme, they may be very formal, such as written warnings that become part of the employee's permanent record. At the other extreme, they may be informal and low-key, such as friendly reminders and off-the record discussions between supervisors to list the disciplinary measures was used, including giving warnings (both oral and written) counseling the employee, putting the employee on probation, and termination. Although these responses come from a limited sample, we suspect that these results are fairly typical of what would be found across a wide variety of jobs.

One very common involves using punishment *progressively* (that is, starting mildly and then increasing in severity with each successive infraction). This is the idea behind **progressive discipline** (the practice of basing punishment on the frequency and severity of the fraction). Let's consider an example of how progressive discipline might work for a problem such as chronic absenteeism or tardiness. First, the supervisor may give the employee an informal oral warning. Then, if the problem persists, there would be an official meeting with the supervisor, during which time a formal warning would be issued. The next offense would result in a formal written warning that becomes part of the employee's personnel record. Subsequent offenses would lead to suspension without pay. And finally, if all this fails the employee would be terminated. In the case of more serious offenses (such as gambling, for example) some of the preliminary steps would be dropped and formal written warning would be given. For the most serious offenses, such as stealing or internationally damaging company property, officials would move immediately to the most severe step, immediate dismissal. Companies with the most effective disciplinary programs tend to make the contingencies clear, such as by publicizing punishment rules in the company handbook. When this is done, employees know exactly what kind of behavior the company will not tolerate, often minimizing the need to actually use discipline at all.

It probably comes as no surprise to you that supervision for not always punish all inappropriate behaviors they encounter. A key reason for this is that supervision may feel constrained by limitations imposed by labor unions or their own lack of formal authority. Also, in the absence of a clear company policy about how to use discipline, individuals may fear strong negative

emotional reactions from the punished individual, if not also revenge and retaliation. As a result, many supervisors may turn the other way and simply do nothing when employees behave inappropriately. Although doing nothing may be easy in the short run, ignoring chronic problems is a way of informally approving of them, leading to increasingly serious problems in the future.

With this in mind, companies with the best disciplinary programs make it a practice to take immediate action. At Honda of America, for example, human resource specialist Tim Garrett notes that the company pays very close attention to all infractions off the rules, including ones “that other companies wouldn’t think of paying attention to”, adding, “If there’s a problem we pay attention to it right away”.

Obviously, it isn’t easy to know exactly when and how to administer punishment and how it will be done in a way that is considered fair and reasonable. Fortunately, research and theory has pointed to some effective principles that may be followed to maximize the effectiveness of discipline in organizations. We will now consider several of these key principles.

Deliver punishment immediately after the undesirable response occurs. The less time that pass between the occurrence of an undesirable behavior and the administration of a negative consequence, the more strongly people are to make the connection between them. When people make this association, the consequence is likely to serve as a punishment, thereby reducing the probability of the unwanted behavior. With this principle in mind, it is best for managers to talk to their subordinates about their undesirable behaviors immediately after committing them (at least as soon thereafter as may be practical). Expressing disapproval after several days or weeks have gone by will be less effective because the passage of time will weaken the association between behavior and its consequences.

Give moderate levels of punishment nothing too high or too low. If the consequences for performing an undesirable action are not very severe (for example, rolling one’s eye to live of disapproval), then it is unlikely to operate as punishment. After all it is quite easy to live with such a mild inhumane. When this occurs, not only might the individual resign, but a strong signal will also be sent to others about the unreasonableness of the company’s action. In either case the company risks losing its most valuable assets (its human resources).

Punish the undesirable behavior, not the person. Good punishment is impersonal in nature and focuses on the individual actions rather than his or her personality. So for example, when addressing an employee who is repeatedly caught taking excessively long breaks it is unwise to say “you’re lazy and have a bad attitude”. Instead, it would be rather to say “by not being at your

desk when expected, you're making it more difficult for all of us to get our work done on time. Responding in this manner will be less humiliating for the individual, making the discussions far less unpleasant. Additionally, focusing on exactly what people can do to avoid disapproval (taking shorter breaks, in this case) increases the likelihood that they will attempt to alter the desired fashion. By contrast, the person who feels personally attacked might not only "tune out" the message, but not know exactly how to improve.

Use punishment consistently all the time, for all employees. Sometimes, managers attempting to cause more harm than good insofar as it inadvertently reinforces the undesirable behaviour (by demonstrating that one can get away with breaking the rules). As a result, it is considered most effective to administer punishment after each occurrence of an undesirable behaviour. Similarly, it is important to show consistency in the treatment of all employees. In other words, everyone who commits the same infraction should be punished the same way, regardless of the person administering the punishment. When this occurs, supervisors are unlikely to be accused of showing favouritism. Also, if one supervisor is perceived to be very lenient and another harsh subordinates may learn to avoid the harsh supervisor rather than the undesirable behavior.

Clearly communicate the reasons for the punishment given. Making clear exactly, what behaviours lead to what disciplinary actions greatly facilitates the effectiveness of punishment. Clearly communicated expectations help strengthen the perceived connection between behavior and its consequences. Wise managers use their opportunities to communicate with subordinates to make clear that the punishment being given does not constitute. Revenge, but an attempt to eliminate an unwanted behaviour (which, of course, it is) Communicating information about poor performance in a personal interview is a good idea, but doing so isn't easy, To make such interviews as effective as possible, managers should conduct them systematically

Do not follow punishment with non-contingent rewards. Imagine that you, are a supervisor who has just written a formal letter of discipline in reaction to a serious infraction of the rules by a particular subordinate. The disciplined employee is feeling very low, which makes you feel remorseful. Feeling bad, you reduce your guilt by telling the employee that he can take the rest of the day off with pay. Although this may make you feel better, it poses a serious problem inadvertently rewarded the person for the unwanted behaviour. The serious infraction punished by the letter but rewarded by the time off. Consequently, the effect of the punishment may be greatly diminished. More seriously, such an action sends the wrong message to the employees. Soon, they too may learn that you will give them time off if they display the pedigree of

dejection. The advice is clear: For punishment to be most effective, supervisors should refrain from inadvertently rewarding undesirable behaviours.

As obvious as this suggestion may be, it is not always followed. In fact, a recent survey revealed that top executives recognize that today's organizations frequently reward behaving opposite those they really desire. For example, although they tend to hope for teamwork any collaboration, they tend to reward the best individual team member. Similarly, although we tend to hope for high achievement, we tend to reward merely putting in another year of service. Thus it cannot be said that organizations do a good job of rewarding desirable behaviours. In fact many times they do just the opposite

If after reading all this, you are thinking that it is truly difficult to properly administer rewards and punishments in organizations, you have reached the same conclusion as experts in the field of organizational behavior. Indeed, one of the key skills that make some managers so effective is their ability to influence others by properly administering rewards and punishments.

COMMUNICATION IN ORGANIZATION

Experts consider communication to be a key process underlying all aspects of organizational operations. In fact, employees' overall performance is strongly related to their competence as Communicators. Contemporary scholars have variously referred to organizational communication as "the social glue that continues to keep the organization tied together and the essence of organization (Greenberg, 1996: 305). The structure, extensiveness and scope of organization are almost entirely determined by communication techniques.

Communication is defined as the process by which a person, group or organization (the sender) transmit some type of information (the message) to another person, group or organization (the Receiver) (Greenberg et al, 1996).

Communication involves both the giving out of messages from one person and the receiving and understanding of those messages by another or others. If a message has been given out by one person but, not received or understood 'by another, then communication has not taken place (Torrington et al, 1991)

Communication is the process by which information is exchanged between a sender and a receiver (Bratton'et al, 2003)

Communication process begins when one party has an idea that it wishes to transmit to. Another (either party may be an individual, a group or an entire organization) it is the sender's mission to transform the idea into a form that can be sent to and understood by the receiver. This is what happens in the process of encoding, that is translating an idea into a form, such as written or spoken language that can be recognized by a receiver. We encode information when we select the words we use to write letters or speak to someone in person:

After the message is encoded, it is ready to be, transmitted over one or more channels of communication to reach the desired receiver. These channels are the pathways along which information travels. The telephone lines, radio and television signal mail routes and even the waves that carry the vibrations of our voices all represent potential channels of communication. The form of encoding largely determines the way information may be transmitted. Visual information such as pictures and written words may be mailed, delivered in person by courier shipped by an express delivery services or with increasing popularity, sent via modems, machines and satellite dishes. Oral information may be transmitted over the telephones via radio and television waves and of course the old-fashioned way, in person

Once the message is received, the recipient must begin the process of decoding that is converting the message back into the sender's original ideas. This process includes comprehending spoken and written words, interpreting facial expressions and the like. Thus, as in the case of encoding limitations in our ability to decode information represent another potential weakness in the communication process. Finally, once a message has been decoded, the process can continued with, the receiver transmitting' a new message back to the original, sender: This part of the process is known as feedback, that is, the knowledge about the impact of messages on receivers. Receiving feedback allows senders to determine whether their messages have been understood properly. Giving feedback can help convince receivers that the sender really cares about what he or she has to say. Once received, feedback can trigger another idea from the sender and another cycle of transferring information-may begin.

Despite the apparent simplicity of the communication process, it rarely operates as flawless as has been discussed here. There are many, potential barriers to effective communication. The name given to factors that distort the clarity of a message is noise. Noise can occur at any point along the communication process. For example, message that are poorly encoded (e.g. written in an unclear way), or poorly decoded (e.g. not comprehended) or channels of communication that are too full of static (e.g. receivers attentions are diverted from the message) may reduce communications effectiveness. These factors and others (time pressure, organizational politics)

may contribute to the distortion of information transmitted from one party to another and the complexity of the communication process.

FUNDAMENTAL ROLE OF COMMUNICATION IN ORGANIZATION

a) One key purpose of organizational communication is to direct action. That is, to get others to behave in a desired fashion. Thus, for an organization to function, individuals and groups must carefully coordinate their efforts and activities. For instance, the server in a restaurant must take the customer's order and pass it along to the chief.

b) Communication is a key to these attempts at coordination. Without it, people would not know what to do, and organizations would not be able to function effectively. In other words, it may be said that another key function of communication in organizations is to achieve coordinated action. Communication is the core of all organizational activities.

c) There is also an interpersonal fact of organizational communication, a focus on the social relations between people. For example, communication is also highly involved in such important purposes as developing friendships and building trust and acceptance.

What you say and how you say it can have profound effect on the extent to which others like you, people who are interested in creating a pleasant interpersonal atmosphere in the workplace must be highly concerned about communication.

VERBAL COMMUNICATION: THE WRITTEN AND SPOKEN WORD: Verbal communication refers to the transmitting and receiving ideas by using words. Verbal communication can be either oral, using Spoken language in forms such as face-to-face talks telephone conversations, tape recordings and the like, of written, in forms such 'as memos, letters and electronic mails, to name just a few. The written and the oral communication involve the use of words.

Varieties of Verbal Communication in Organizations

1) Face-to-face discussions

2) Telephone

3) Static media such as memos and letters this includes one-way communications sent either physically or electronically (e.g., fax or e-mail)

4) Highly impersonal, static media such as flyers and bulletins. These are written information, targeted broadly and not aimed at any particular individual.

5) Publication (Newsletters and employee handbook).

Newsletters: Are regularly published internal documents describing information of interest to employees regarding an array of business and non-business issues affecting them.

Employee handbook: Is a document describing to employees basic information about the company. It is a general reference regarding the company's background, the nature of its business and its rules.

NON-VERBAL COMMUNICATION: SPEAKING WITHOUT WORDS: Non-verbal communication is the transmission of messages without the use of words. Specifically some of the most prevalent non-verbal communication cues, in organizations have to do with people's manner of dress and their use of time and space. Non-verbal cues such as smiles and glances are important sources of information influencing our impressions of people.

1. **Style of Dress: Communication by appearance:** If you have ever heard the expression "clothes make the man or woman" you are probably already aware of the importance of mode of dress as a communication vehicle. This is especially the case in organizations where, as self-styled wardrobe engineer John T. Malloy reminds us, what we wear communicates a great deal about our competence as employees. In fact, research has shown that compared to people dressing inappropriately for job interviews (for example T shirt and jeans), those dressing appropriately (for example, business suits) feel more confident about themselves and as a result ask for higher starting salaries on average \$4000 higher (Greenberg, 1996: 315). Clearly one of the key messages sent by the clothes people wear is their understanding of the appropriate way of presenting themselves for the job. What is appropriate dress for one kind of job may not be appropriate for another, for example, it would be absurd for a fitter to wear political suit while working.
2. **Time: The Waiting Game:** Another important mechanism of non-verbal communication in organizations is the use of time. Have you ever waited in the outer office of a doctor? Why do you have to wait for such people? Mainly because they have special skills that create high demands for their services. As a result their time is organized in a manner that is most efficient for them by keeping others lined up to see them at their convenience.

Medical doctors are not the only ones who make people wait to see them. In fact, individuals in higher status often communicate the idea that their time is more valuable than others by making others wait to see them. Typically, the longer you have to wait to see someone, the higher the organizational status that that person has attained (proven fact by Greenberg).

3) **The Use of Space:** Space is another important communication vehicle. Research has shown that one's organizational status is communicated by the amount of space at one's disposal. Generally speaking, the more space organization. Not only does the amount of space communicate organizational status but also the way the space is arranged. For example, among faculty members at a University, senior professors were more likely to arrange their offices so as to separate themselves from visitors with their desks whereas junior lecturer were less likely to impose such physical barrier. The use of space tends to have symbolic value in communicating something about group interaction. For one commends the more powerful one is likely to be in an example, who sits at the head of a rectangular table? It is the group leader. Apparently, where a person sits influences the available communication possibilities. Sitting at the head of a rectangular table enables a person to see everyone else and to be seen by them. Organizations also communicate about themselves by the use of space. Some organizations design their headquarters to communicate to visitors (for example, by adding towers).

MAJOR INFLUENCES ON ORGANIZATIONAL COMMUNICATION

Communication process is influenced by many factors including those relating to organizations (for example organizational structure), groups (for example, formal networks of communication in groups) and individuals (for example, informal networks that develop between people).

Organizational Structure: Directing the Flow of Messages: Organizations are often designed in ways that dictate who may and may not communicate with whom. Given this, we may ask how "is the communication process affected by the structure of an organization? The term Organizational structure refers to the formally prescribed pattern of interrelationships existing between the various units of an organization. An organizational structure may be described as using a diagram known as organizational chart. Such a chart provides a graphic representation of an organizations structure. The organizational chart or diagram shows the titles of the individuals performing the various jobs and the formally presented pattern of communication between them. These are relatively fixed and defined.

Each individual is responsible for performing a specific job. The key point is that the formal structure of an organization does not change just because the person changes. There are lines of authority showing who must answer to whom. Each person is responsible to the person at the next of higher level to which he or she is connected. At the same time, people are also responsible for those who are immediately below them. The organizational chart forms a sort of blueprint of an organization showing not only what people have to do, but with whom they have to communicate for the organization to operate properly. Differences in one's level in an organizational hierarchy may be communicated in various ways. For example, people at higher levels tend to be called by their titles (Mr. Chairman) and are usually addressed in a formal manner. Such individuals also may communicate their higher positions by the way they dress and by the size and location of their offices. It has been found that the more employees are integrated into an organization's formal structure, the better they adapt to using new technology. Establishing formal communication channels is critical when companies are very large and have operations scattered all over the world (for example, Multinational Mines).

Communicating Up, Down and Across the Organizational Chart: A quick look at the organizational chart reveals that information may flow up (from lower to higher levels), down (from higher to lower levels) or horizontally (between people of at the same level). However, different types of information typically travel in different directions within the hierarchy.

1. Typically, downward communication consists of instructions, direction and order messages telling subordinates what they should be doing. We also would expect feedback on past performance flowing in a downward direction (such as when someone subordinates how well they have been working). Downward communication flows from level to the highest level to the next lowest one, slowly trickling down to the bottom. As a message passes various levels, it often becomes less accurate (especially if the information is spoken).
2. Upward communication flows from lower level to higher levels within an organization as from a subordinate to his or her supervisor. Messages flowing in this direction tend to the information managers need to do their jobs such as data required for decision making and status of various project. Among the various types of information flowing upward suggestions for improvement, status reports reaction to work-related issues and new ideas. Upward communication often tends to suffer from serious inaccuracies. For example subordinates frequently feel they must highlight their accomplishment and downplay mistakes if they are to be looked on favourably. Similarly, some individuals

fear that they will be rebuked by their supervisors if they anticipate that their remarks will be perceived threatening. As a result many people frequently avoid communicating bad views to supervisors. This general reluctance to transmit bad news is referred to as MUM effect.

3. Horizontal communication occurs when messages that flow laterally (at the organizational level) are characterized by efforts at coordination (attempts to work together). Unlike vertical communication, in which the parties are at different status levels, horizontal communication involves people at the same level and therefore tends to be easier and friendly. They tend to be more casual and occurs more quickly because fewer social barriers exist between the parties.

Communication Networks: Formal Channels of Information in Groups: The pattern determining which organizational units (either people or groups) communicate to which units are referred to as communication networks. A considerable amount of research has shown that the nature of communication linkages between group members can greatly influence their functioning. Communication networks may differ with respect to a key feature: their degree of centralization. Briefly, this refers to the degree to which information must flow through a specific member of the network.

Communication networks such as the Y, wheel and the chain are identified as centralized networks. For members of a centralized networks to communicate with each other they must go through a central person who is at the cross roads of the information flow. In contrast, the Circle Corncob (completely connected) are referred to as decentralized networks because information can freely flow between members without going through a central person. People in decentralized networks have equal access to information whereas those in centralized networks are unequal because the individuals at the center have access to more information than those at the periphery.

Research has shown that these differences in communication networks are responsible for determining how effectively groups will perform various jobs. It has been found that when the task being performed are simple, centralized networks perform better but when the tasks are complex, decentralized networks perform better. In summary, centralized networks are faster and more accurate on simple tasks whereas decentralized networks are faster and more accurate on complex task.

Why is it so? The answer has to do with the pressures put on the central member of a centralized network. The more information any member of a group has to deal with, the greater the degree of saturation that the person experiences, if you have ever tried working on several homework assignments at the same time, you probably already know how information saturation can cause performance to suffer.

The central person becomes so overloaded with information that the group is slowed down and many errors are made. Decentralized networks have no one central person so information and work demands are more evenly distributed. In short centralization is, a double-edged sword. When tasks are simple, centralization facilitates getting the job done. However, when tasks are complex, it may cause saturation, bringing performance to a halt. Research also shows that centralized and decentralized networks differ in terms of their member's satisfaction. Most people enjoy the greater equality in decision making that occurs in decentralized networks. Such groups give everyone involved an equal status.

Informal Communication Networks: Behind the Organizational Chart: Formal communication networks clearly play an important role in organization. However, formal communication networks may be only one of several factors responsible for organization communication. In the course of an average day, you communicate with friends, family members, classmates and colleagues at work. They are among those with whom you may have informal communication that is information shared without any formally imposed obligations or restrictions. When you think about it carefully you may be surprised to realize how widespread our informal networks can be. You know someone who knows someone else, who knows your best friend and before long your informal networks become very far reaching. Informal communication networks because they are so widespread, constitute an important avenue by which information flows in organization. In fact, in a recent survey by Greenberg. Middle managers ranked informal networks as better sources of organizational information than the formal networks. Therefore, if an organization's formal communication represents its skeleton its informal communication constitutes its central nervous system.

ORGANIZATIONS HIDDEN PATHWAYS: People transmit information to those with whom they come into contact, thereby providing conduits through which messages can travel. People also tend to communicate most with those who are similar to them on such key variables as age and time working on the job. Because we are more comfortable with similar people than with dissimilar ones we tend to spend more time with them and of course, communicate with them more. As a result, many informal gender-segregated networks tend to form in organizations

(what among men has been referred to as the old-boy's network to the extent that these associations may isolate people from others in power who may be different from themselves). At the same time, exposure to similar others with whom people feel comfortable provides valuable sources of information. This informal observation is in keeping with scientific evidence showing that the more involved people are in their organizations communication networks, the more powerful and influential they become. The idea that people are connected informally also have been used to explain a very important organizational phenomenon turnover.

Do people resign from their jobs in ways that are random and unrelated to each other? A study by Krackhardt and Porter suggests that they do not, but that turnover is related to the informal communication patterns between people. These investigators theorized that voluntary turnover (employees resigning their jobs) occurs as a result of a snowball effect. A snowball does not accumulate snowflakes randomly, but collects those that are in its path. Analogously, it was reasoned that patterns of voluntary turnover may not be independently distributed with a work group, but may be the result of people's influence on each other. Thus, predicting which people will resign from their jobs may be based to a large extent on the knowledge to the communication patterns within groups. Someone who leaves her job for a better one in another organization may know someone who has already done so. Specifically, turnover tended to be concentrated among groups of people who communicated informally with each other a great deal before they resigned. Informal communication networks are characterized by, the fact that they often are composed of individuals at different organizational levels. People can tell anyone in the network whatever informal information they wish. What flows within the pathways of necessarily related to informal communication is informal information, messages not individual's work.

GRAPEVINE AND THE RUMOUR MILL: When anyone can tell something informal to anyone else, it results in a very rapid now of information among: what is commonly referred to as the grapevine (the pathways along which unofficial, informal information travels). In contrast to a formal organizational message which might take several days to reach its desired audience, information traveling along the organizational grapevine tends to flow very rapidly, often within hours. This is only because informal communication can cross formal organizational boundaries but also because informal information tends to be communicated orally. It is interesting to note that most of the information communicated along the grapevine is accurate study found that 82 percent of the information communicated along a particular company's organization grapevine on a single occasion was accurate. However, it is sometimes inaccurate.

In any case grapevines must be considered an inevitable fact of life in organizations. This is not only because informal communication can cross formal organizational. The problem of inaccuracy is clearly responsible for giving the grapevine such a bad reputation. In extreme cases, information may be transmitted that is almost totally without any basis in facts and usually unverifiable. Such messages are known as Rumour. Typically, rumors are based speculations, overactive imagination and wishful thinking rather than on facts. Rumours races wildfire through organizations because the information they present is so interesting and ambiguous.

What can be done to counter the effects of rumours? Evidence suggests that directly refuting a rumour may not always counter its effects but it should be quickly disproved by independent investigators. If you should ever become the victim of a rumour, try immediately to refute it with indisputable facts if you can. If it lingers on, try directing people's attention to other positive things they already believe about you. Note that when you directly refute a rumour you actually may help spread it among those who have not already heard about it and strengthen it among those who have already heard it. Directing people's attention away from the rumour may help.

OVERCOMING COMMUNICATION BARRIERS: TECHNIQUES FOR ENHANCING THE FLOW OF INFORMATION: Several steps can be taken to obtain the Benefits of effective communication in organizations. These measures of techniques include what have been discussed below:

Keep Language Simple by Eschewing Obfuscation (confusion): In any situation our point can be stated simply. Using needlessly formal language may impose a serious barrier to communication. Keep in mind that all organizations, fields, social groups and professions have their jargon (their own specialized language). For example, Charlie" meaning friend in Ghana No doubt you have encountered a lot of language in this course that may at first sound strange to you The point is that the use of jargon is inevitable when people within the same field or social groups communicate with each other. Some degree of highly specialized language may help communication by providing an easy way for people in the same field to share 'complex ideas.

Jargons also allows professionals to identify unknown others as people in their field because they speak the same language.

However, Jargon should not be used when communicating with people outside your field, social group and profession. In a study by Kanter, it revealed that even among the various departments

in an organization, departmental jargons were not intelligible to all. In short we should avoid jargon when communicating to people.

In addition to avoiding jargon, the clearest communicators also keep language short and simple to the point. Hence it is wise to adopt the K.I.S.S. principle when communicating that is- keep it short and simple. People are better able to understand messages that do not overwhelm them with too much information at once than those that present more than they can absorb.

A wise communicator is sensitive to this and knows how to monitor his or her audience for signs of overloading audience members' circuits with too much information. Although you may know what you are talking about, you may not be able to get your ideas across to others unless you package them in doses small and simple enough to be understood. When this is done correctly and effectively, even the most complex ideas can be clearly communicated.

Be an Active, Attentive Listener: Just as it is important to make your ideas understandable to others, it is equally important to work at being a good listener (receiving messages) Although people do a great deal of listening, they pay attention to and comprehend only a small percentage of the information directed at them. As a listener, you can help the communication process by letting the sender know if and how his or her messages are coming across to you. Asking questions and putting the speaker's ideas into your own words are helpful ways of ensuring that you are taking in all the information presented. It is also very useful to avoid distractions in the environment and concentrate on what the other person is saying. When listening to others, avoid jumping to conclusions or evaluating their remarks. It is important to take in completely what is being said before you respond. Make sure you understand another's ideas before you formulate your reply. Too many of us interrupt speakers without own ideas before we have fully heard theirs, this is not good.

Development of listening skills requires identifying the individual elements of listening, the separate skills that contribute to listening effectiveness. Brownell has proposed that listening effectiveness may be understood in terms of the behavioural indicators that individuals perceived as related to effective listening skills clustered into six groups known as the HURIER model. The term HURIER is an acronym composed of the initials of the words reflecting the component skill of effective listening: hearing, understanding, remembering, interpreting, evaluating and responding. Austin, a management consultant, advises people to be an equal opportunity that is to pay attention not only to those whose high status commands our attention but also to anyone at any level and to make time to hear them all in a democratic fashion.

Gauge the Flow of Information: Avoid Overload: When any part of a communication network becomes bogged down with more information than it can handle effectively, a condition of overload is said to exist. Such a state poses a serious threat to effective organizational communication. However, several steps can be taken to manage information more effectively.

- i. Employing gatekeepers: People whose jobs, require them to control the flow of information to potentially overloaded units. For instance, administrative assistants are responsible for making sure that busy executives are not over loaded by the demands of other people or group.
- ii. It can be avoided through queuing: This term refers to lining up incoming information so that it can be managed in an orderly fashion.
- iii. When systems are overloaded distortions and omission are likely to result that is, messages may be either changed or left out when they are passed from one organizational unit to the next. A study tracing the flow of downward communication in more than a hundred organizations found that messages communicated downward over five levels lost approximately 80 percent of their original information by the time they reached their destination at the lowest level of the organizational hierarchy.

One Strategy that has proven effective in avoiding the problems at distortion and omission is redundancy. Making messages redundant involves transmitting them again, often in another form or via another channel. For example, in attempting to communicate an important message to his subordinates, a manager may tell them the message and then follow it up with a written memo. Another practice that can help to avoid distortions and omission is verification. This refers to making sure that messages have been received accurately. Pilots use verification when they repeat the messages given them by air traffic controllers.

Obtain Feedback: Opening Upward Channels of Communication: To operate effectively, organizations must be able to communicate accurately with those who keep them running their employees. Unfortunately, the vast majority of employees believe that the feedback between themselves and their organizations is not as good as it should be. For various reasons, people are often unwilling or unable to communicate their ideas to top management. Research has found that organizations tend to adopt upward communication as a means to improve efficiency and quality, while employees tend to participate in this kind of communication in order to improve their career opportunities.

Nonetheless, several techniques exist for effectively soliciting feedback.

Suggestion Systems: Too often employees' good ideas about how to improve organizational functioning fail to work their way up the organizational chart because the people with the ideas do not know how to reach the people who can implement them. Even worse, they may feel they will not be listened to even if they can reach the right person. Suggestion boxes are designed to help avoid these problems, to help provide a conduit for employee's ideas.

A second method of providing important information is through **corporate hotlines** - telephone lines staffed by corporate personnel ready to answer employee's questions, listen to their comments and the like. By providing personnel with easy, access to information, companies benefit in several ways. Doing so not only shows employees that the company cares about them, but it also encouraged them to address their concerns before the issues become more serious. In addition, by keeping track of the kinds of questions and concerns voiced, top management is given invaluable insight into ways of improving organizational conditions.

Brown bag meetings and skip-level meetings: These are designed to facilitate communication between people who usually do not get together because they work at different organizational levels. Brown bag meetings are informal get-togethers over breakfast or lunch (usually brought in from home) at which people discuss what's going on in the company. The informal nature of the meetings is designed to encourage the open sharing of ideas. Skip-level meetings are gatherings of employees with corporate superiors who more than one level higher than themselves in the organizational hierarchy. The idea is that new lines of communication can be established by bringing together people who are two or more levels apart, individuals who usually do not come into contact with each other.

Employee Surveys: These can be used to gather information about employees' attitudes and opinions about key areas of organizational operations. Questionnaires administered at regular intervals may be useful for spotting changes in attitudes as they occur. Such surveys tend to be quite effective when their results are shared with employees, especially when the feedback is used as the basis for changing the way things are done.

UNIT 4: LEADING PEOPLE THROUGH MOTIVATION

Even with the best strategy in place and appropriate organizational architecture, an organization will be effective only if its members are motivated to perform at a high level. James Goodnight clearly realized this. One reason why leading is such an important managerial activity is that it entails ensuring that each member of the organization is motivated to perform highly and help the organization to achieve its goals; when managers are effective, the outcome of the leading process is a highly motivated workforce. A key challenge to managers of organizations both small and large is to encourage employees to perform at a high level (Goodnight in Jones et al, 2004).

Definition of motivation: It may be defined as psychological force that determine the direction of a person's behavior in an organization, a person's level of effort and a person's level of persistence in the face of obstacles. (The direction of a person's "behaviour" refers to the many possible behaviours that a person could engage in, effort refers to how hard people work, persistence" refers to whether, when faced with roadblocks and obstacles, people keep trying or give up). Motivation is central to management because it explains why people behave the way they do in organizations. Motivation may also be defined as the internal process leading to behaviour to satisfy needs. The process people go through to satisfy their needs is need- motive behaviour- satisfaction or dissatisfaction (Lussier, 2005).

Motivation can come from intrinsic or extrinsic sources. Intrinsically motivated behaviour is behaviour that is performed for its own sake. The source of motivation is actually performing the behaviour, and motivation comes from doing the work itself. Jobs that are interesting and challenging are more likely to lead to intrinsic motivation than are jobs that are boring or do not make use of a person's own skills and abilities for example, an elementary school teacher who enjoys teaching children is intrinsically motivated.

Extrinsically motivated behaviour is behaviour that is performed to acquire material or social rewards or to avoid punishment. The source of motivation is the consequence of the behaviour not the behaviour itself. For example, a car salesperson who is motivated by receiving a commission on all cars sold and a factory worker who is motivated by the opportunity to earn a secured income are all extrinsically motivated. Regardless of whether people are intrinsically or extrinsically motivated, they join and are motivated to work in organizations to obtain certain outcome. An outcome is anything a person gets from a job or organization. Some outcomes such as autonomy, responsibility, feeling of accomplishment and the pleasure of doing interesting or

enjoyable work, result in intrinsically motivated behavior. Other outcomes such as pay, job security, benefits and vacation time result in extrinsically motivated behaviour.

Motivation according to Pierre Bellon is critical to business success but you cannot simply buy motivation. In any case, Alan Greenspan, Chairman of the Federal Reserve system said you "you have to align the interest of the corporation and its employees, that is creating win-win situation for the company and the employs" (Lussier, 2005).

HOW MOTIVATION AFFECTS BEHAVIOUR, HUMAN RELATION AND

PERFORMANCE: All behaviours are motivated by some needs, however, needs and motives are complex,, we do not always know what our needs are and why we do things we do, We cannot observe motives but we can observe behavior and infer what the person's motive is. This is referred to as attribution, It is not easy to know why a person behaved the way he did because people do the same' thing, for different reasons. Generally, an employee who is motivated will try harder to do a good job than one who is not motivated. People with theory X and theory Y attitudes have different motives and human relations, Personality also affects motivation to have effective human relations. However, performance is not simply based on motivation. The level of performance attained is determined by three interdependent factors: ability, motivation and resources This relationship is stated a performance formula. *Performance = ability x motivation x resources*. Ability and motivation are driving forces of behaviour to create the level of performance. For performance level to be high all the three factors must be high. If any one is low or missing, the performance level will be adversely affected.

To attain high levels of performance as an employee and manager you must be sure that you and your employees have the ability, motivation and the resources to meet objectives. When performance is not at the standard level or above, you must determine which performance factor needs to be improved and improve it, (Lussier, 2005: 286).

THEORIES OF MOTIVATION

Taylorism and Scientific Approach: Frederick Taylor (1911) argued that human problems were the root cause of poor productivity in organizations and should be minimized or eliminated.

In the early 1900, he developed a set of principles to enhance worker productivity, Taylor systematically studied each job and detailed methods to attain higher productivity level, which included job training. In this way, he laid down a coherent set of principles that have guided modern thinking on motivation.

Taylor's "scientific management theory" was aimed at technical efficiency and viewed organizational roles as directed tasks that were defined by supervisors and subject to measurable outcomes. But although this implied close control for the optimal completion of tasks, Taylor believed that it was, nonetheless, important to motivate and encourage employees. Consequently, in his model of the "economic man" he argued that workers should be encouraged through the use of economic rewards to increase productivity. In this way, his theory, inadvertently, brought about improved recognition and productivity for individual workers, by raising the notion that there are best ways for people to do their jobs (Taylor, 1911 in Huczynski and Buchanan, 2001).

The major criticism of Taylor's scientific management thesis is that it has become increasingly obsolete in the sense that it is reductionism, as it reduces 'motivational factors to only economic ones. As the Hawthorne studies of 1920s and 1930s demonstrated, workers are motivated by more than just pay, conditions, Kondo (1993) also notes that although the premise of Taylor's theory was valid in his days, they have since become outdated. Kondo argued that foremen (supervisors) and workers of the contemporary era are well educated and employ modern technological tools to increase productivity. Furthermore, the rising standards of living have sharply diminished the influence of "piece work", as an incentive to productivity.

Lastly, the rise of labour unions in organizations requires that many decisions affecting productivity should be based on collective bargaining rather than unilateral planning. Despite

the obsolescence, the Taylor system is retained and used in organizations since it laid down a coherent set of principles that have guided modern motivational thinking of supervision in contemporary organizations. The question is whether the Taylor's thesis can explain why certain supervisory styles produce different results in different organizations. The Taylor's thesis is to the best of my ability, does not contribute to the understanding of why certain supervisors motivate their workers to boost their morale and enhance their productivity skills while others do not. It was an attempt to develop an alternative to Taylorism that Frederick Herzberg came with the motivator-hygiene theory.

Herzberg's Two-Factor Approach: Frederick Herzberg proposed another well-known approach. It is also known as the motivator-hygiene thesis as an alternative to Taylorism which showed concerns for the quality of working life of people in organizations. This theory implies that there are two different sets of factors, hygiene, and motivators or satisfiers which affect individual motivation and job satisfaction (Ott, 1989).

Herzberg, discovered that there were certain factors associated with job satisfaction (motivation factors) which are those factors that are related to the content of one's job and are necessary to maintain a reasonable level of motivation among employees, such as the nature, of the work itself, the possibility for growth, responsibility, advancement, recognition and status completely different set of factors are associated with dissatisfaction which are referred to as hygiene or maintenance factors. For instance, inadequate monthly salary to employee's causes dissatisfaction at work when hygiene factors are absent, for example, when good relations with supervisors and peers, good pay and working conditions, job security and, among others absent (Herzberg et al. 1959, Ott, 1989): However, a high salary would not necessarily cause job satisfaction Herzberg's work challenged the central thesis of Taylorism that job satisfaction was one-dimensional, ranging along a continuum from satisfaction to dissatisfaction. Instead, Herzberg found motivation to be two-dimensional.

Herzberg's theory has been labelled as the two-factor theory. Moreover, the hygiene factors, if they did not cause any dissatisfaction, neither did they motivate workers. However, when they were not right, they led to dissatisfaction and exerted negative impact. Thus, supervisors ought to look for the motivators. When management provides employees with the motivators such as high. If such factors are not right, job satisfaction and therefore motivation will be lacking.

One of the shortcomings of Herzberg's two-factor theory is that the factors that make employees delight on the job are obviously not the opposite of the factors, which make them unhappy. Thus, organizations/managers cannot expect to satisfy employees by simply removing the causes of dissatisfaction. Again, concentrating fully on the hygiene factors alone and trying to motivate people will not be effective. Leaders must also ensure that the motivation factors are taking place and at the right time. Hence, leaders must not only eliminate the causes of dissatisfaction, but they also need to ensure that opportunities for satisfaction are provided to motivate people.

The Relevance of Hawthorne Studies to Leadership: Elton Mayo's contribution to the development of the current theoretical thinking on motivation is, perhaps, the most profound. In the famous Hawthorne studies in the late 1920s and early 1930s, Mayo and his researchers found that informal work groups had a significant effect on worker performance. Group standards and sentiments were more determinants of a worker's output. Results of the Hawthorne studies have justified most of the framework for motivational theories.

In the United States during the 1920s and 1930s, the Hawthorne studies led to the creation of the human relations movement and a highly influential school of academic and practical management thinking. Although many different studies were conducted, four in particular stand

Out. These were the illumination experiments, the relay assembly test room experiment, the interviewing programme and the bank wiring observation room experiment. The studies concluded that organizations are social systems and that workers are the most important part in that system. Motivating the workers to enhance productivity should be a top priority of Supervisor.

The conclusions drawn from the Hawthorne studies are that workers are motivated by more than just pay conditions. Leaders need to recognize that work is a group activity and individuals should be seen as group members and not in isolation. The need for recognition, workers control over their own work, differences between individual needs, management willingness to listen, group norms, direct feedback, security and a sense of belonging are more important in determining workers morale and productivity than the physical conditions under which they works (Ott, 1989; Roethlisberger in J. Steven Ott, 1989). Through their unofficial norms and sanctions, Informal groups exercise strong control over the work habits and attitudes of individual group, members, Hence, the ability of the informal group or clique to motivate an individual at work should not be under-estimate. Lastly, leaders need to be aware of both individuals social needs and the power of the informal group in order to achieve the formal (official) objectives of the organization (Huczynski and Buchanan, 2001).

Although the Hawthorne studies were criticized, the basic finding endured giving impetus, to what is referred to as the human relations age of thinking about work" that emphasized the human side of work and the importance of managing people as human beings in organizations.

Maslow's Need Theory: Abraham Maslow originated this well-known hierarchy of needs theory He hypothesized that people have a complex set of exceptionally strong needs, which can be arranged in a hierarchy. It aims to resolve the confusion between drives and motives. Underlying this hierarchy is the following basic assumption that a satisfied need does not motivate further However, when one need is satisfied, another need emerges to take its place. Thus, people are always striving to satisfy some need.

The Maslow's theory postulates nine needs categories. Among them are the biological/physiological needs include sunlight, sexual expression, food, water, rest and oxygen (basic needs): Safety needs, which include a person's desire for security and protection, for

example job security and income security, comfort; tranquility, freedom from fear and threat from the environment, shelter, order, predictability and an organized world. The Social/affiliation needs focus on social aspects of work and non-work situation, for example, belongingness, attachment, love, friendship, affection and acceptance. Others include the esteem needs such as internal and external esteem factors for example, strength, confidence, achievement, reputation, prestige, attention, appreciation, promotion, self-respect, autonomy, achievement, recognition, status (need for stable and high self-evaluation, based on capability and respect for others) owing and understanding needs focus on gain and systematize knowledge, the need for curiosity, learning, philosophizing, experimenting and exploring; Aesthetic needs includes order beauty; Need for transcendence a spiritual need for cosmic identification or to be at one universe. Freedom of enquiry and expression is an essential prerequisite for the satisfaction of the other needs. The self-actualization needs reflect an individual's desire to grow and develop to the fullest potential, for example, ultimate goal in life, self-fulfillment and growth.

A criticism of the Maslow's theory in relation to leadership is that the lower order needs such as salary, job tenure and contracts are satisfied through external factors. On the other hand, the higher order needs which include social, esteem, knowing and understanding, aesthetic needs, transcendence, freedom of enquiry and expression and self-actualization needs are satisfied internally within a person. Empirical evidence suggests that lower order needs are primary in that they are required for survival in the contemporary world where communal values have declined.

This shortcoming is evident when comparing the Herzberg and Maslow's theories. Herzberg's theory focuses on job satisfaction and performance whereas Maslow's theory stresses human needs in life, with less emphasis on work. However, the Herzberg theory is applying Maslow's hierarchical theory to work situations by giving the factors, which lead to either job satisfaction (higher worker morale) or job dissatisfaction (lower worker morale). Thus, both theories have broadened leaders' view by recognizing workers as more than simple working but as people with complex personalities, needs and problems.

ERG Theory: Many attempts have been made to classify needs because off the long standing debate as to how many categories of needs exist. Some claim there are only two needs while others say there are seven (7). ERG is a well-known simplification. Clayton Alderfer reorganizes Maslow's needs hierarchy into three levels: Existence (Physiological and safety), Relatedness (social) and Growth (esteem and self-actualization). Alderfer maintains the higher and the lower order needs who agrees with Maslow that satisfied needs motivate individuals. Therefore, based

on Maslow's work managers or leaders are expected to meet the lower level needs of their employees so that they will not dominate the employee's motivational process. Management should get to know the people's needs and to meet them as a means of increasing performance. However, to use ERG theory, the following questions must be answered:

- i) What need does the individual have?
- ii) What needs have been satisfied?
- iii) Which unsatisfied need is the lowest in the hierarchy?
- iv) Have some high-order needs been frustrated?
- v) Has the person refocused on lower-level needs?
- vi) How can the unsatisfied needs be satisfied?

Managerial Applications of Need Theories

Probably the greatest value of need theories lies in the practical implications they have for management. In particular, the theories are important in so far as they suggest specific things that managers can do to help their subordinates become self-actualized. Because self-actualized employees are likely to work at their maximum creative potential, it makes sense to help people attain this state by helping them meet their needs. With this in mind, it is worthwhile to consider what organizations may do to help satisfy their employees' needs.

1. **Promote a healthy workforce:** Some companies are helping to satisfy their employees physiological needs by providing incentives to keep them healthy such as giving insurance rebates to employees with healthy lifestyles, while charging extra premiums to those whose habits (smoking) put them at greater risk for health problems. As these incentives encourage employees to adopt healthier lifestyles, the likelihood of satisfying their physiological needs is increased.
2. **Provide financial security:** It is an important type of safety need. In this regard some companies are going beyond the more traditional forms of payroll savings and profit-sharing plans. Notably, some companies have found that their employees had serious financial difficulties when faced with sending their children to college leading them to offer very low loans for this purpose. Financial security is a key aspect of job security, particularly in troubled economic times when layoffs are inevitable. To help soften the

blow of layoffs, more and more organization are providing outplacement services (assistance in finding new jobs that companies provide to employees they lay off).

3. **Provide opportunities to socialize:** To help satisfy its employees' social needs, some companies hold a "Family Day" picnic. Some other companies have incorporated social activities deep into the fabric of their cultures.
4. **Recognize employees' accomplishments:** Recognizing employees' accomplishments is an important way to satisfy their esteem needs. Some companies help recognize their employees' organizational contribution by touting them on the pages of their corporate newsletters. Mary Kay Ash puts it that "there are two things people want more than sex and money... recognition and praise. Recognition need not be lavish or expensive. It can involve nothing more than a heart-felt thank you" Whatever form it takes, it is important to caution that awards are only effective at enhancing esteem when they are clearly linked to desired behaviours. Awards that are too general may not only fail to satisfy esteem needs, but may also minimize the impact of awards that are truly deserved

Equity Theory: J. Stacy Adams formulated the equity approach as an appropriate way to effective supervision. The equity approach is another, important means of ensuring motivation of workers. Workers tend to believe in it if the organizational reward system is fair. This theory assumes that people want to be treated fairly and they tend to compare contributions and rewards to those received by others. The equity theory states that people need to perceive equal outcomes for perceived equal circumstances (Ott, 1989).

The principles for this theory are that if workers discover that the company does not properly reward them, they will feel dissatisfied and their morale will be lower. The outcome is that they will not work hard anymore or they may choose to depart from the current company. If the workers believe that they are adequately rewarded for what they do, they will maintain the same level of output and performance. On the other hand, if workers perceive the rewards as more than they consider fair, then they will most likely work even harder in the organization.

The strengths of the equity theory in relation to leadership styles in organization, is that workers want to be treated equally and fairly by leaders. Workers are motivated when they discover that they are treated fairly in compensation, in promotion and there is transparency in the evaluations.

Applying Equity Theory: Some Motivational Tips for Managers

Equity theory has some important implications for ways of motivating people.

- 1. Underpayment should be avoided:** Companies that attempt to save money by reducing employees' salaries may find that employees respond in many different ways to even the score. For example, they may steal, shave a few minutes off their work days or otherwise without production: In recent years, a particularly unsettling form of institutionalizing underpayment has materialized in the form of two-tier wage structure (payment systems in which newer employees are paid less than those hired to do the same work at an earlier point in time. Not surprisingly such systems are considered to be highly unfair particularly by those in the lower tier.
- 2. Overpayment should be avoided:** You may think that because overpaid employees work hard to deserve their pay, it would be a useful motivational technique to pay people more than they merit. There are several reasons why this will not work. First, the increases in performance shown in response to overpayment inequity tend to be only temporary. As time goes on, people begin to believe that they actually deserve the higher pay they are getting and bring their work level to normal. Secondly: why it is unwise to overpay employees is that when you overpay one employee, you are underpaying all the others. When the majority of the employees feel underpaid they will lower their performance resulting in a net decrease in productivity and widespread dissatisfaction hence the conclusion is that managers should strive to treat all employees equitably. To avoid feelings of equity and inequity, one approach that may help is to be open, and honest about outcomes and inputs, thus, if information about pay is shared inequitable feelings may not result.
- 3. Managers should present information about outcomes in a thorough and socially sensitive manner:** This suggestion follows from research showing that people's assessment of fairness on the job goes beyond merely what their outcomes and inputs are to their knowledge of how these were determined, that is to their sense of **procedural justice** (perceptions of the fairness of the procedures used to determine outcomes). For example, it has been found that even the outcomes such as layoffs and pay cuts can be accepted and recognized as fair to the extent that people understand the procedures that brought them about. Such information, particularly when presented in a highly sensitive and caring manner, tends to take some of the sting out of those undesirable outcomes.

Expectancy Theory: Victor Vroom (1969 in I Steven Ott, (1989) came out with this theory which states that an employee will be motivated to exert a high level of effort when he/she believes that effort will lead to a good performance appraisal, and followed by organization rewards Such as, bonus, salary increment or promotion which later satisfy personal goals. Simply put, it means that people are motivated by calculating how much they can get from something, how likely their actions will cause them to get it and how much others in similar circumstances have received (Ott, 1989)The theory is based on three concepts and is also known as valence- instrumentality expectancy theory (Huczynski and Buchanana, 2001). The expectancy approach focuses on three relationships.

Effort-performance Linkage or Expectancy is the probability perceived by an individual that exerting a given amount of effort would lead to, performance. For example, the production supervisor was asked to produce 1000 pieces of products in a short time frame. If he does not have enough headcount of operators to support him, then he will put in less effort on this as he knows that he is not going to meet the requirement.

Performance-reward linkage or instrumentality is the degree to which the individual believes that increase in performance will lead to a certain outcome. For example, the garage foreman tends to work very hard from early in the morning until late night everyday as he knows that by doing so, he will have chance to accept more cars for repair and as a result, earn more money.

Attractiveness or Valence is the importance that an individual places on the potential outcomes or reward that can be achieved on the job. This considers the goals and needs of the individual. For example people will always perceive that recognition and reward offered by bosses are valuable and better.

Porter and Lawler (1968) in Huczynski and Buchanan (2001) have developed expectancy theory into a more comprehensive theory of work motivation According to the theory the efforts expended on task will depend on the value of rewards for performing well and the expectation that he rewards will follow. In this model what Vroom instrumentality is simply labelled "the expectations that performance will lead to reward.

Again what Vroom called "expectancy "or the effort-performance link depends on individual perceptions, abilities and traits and role perceptions It also means the degree to which individual feels that what they are required to do is consistent with the perception of this. Thus performance may suffer if one does something, which is not consistent with the job expertise. The integrative approach of the theory takes into account job satisfaction based on perceptions of intrinsic and

extrinsic rewards and also incorporates equity the Satisfaction, thus, influences the perceived value of rewards and has a feedback effect.

Generally, satisfaction depends on need fulfilment. Need fulfilment on the other hand is dependent on the range of intrinsic and extrinsic rewards which come from job perform. The theory argues that performance affects satisfaction and therefore good performance rewarded, is likely to lead to job satisfaction.

The theory has merits in explaining why workers are highly motivated when they perceive themselves to be making positive contribution to their organizations. The theory's appeal, however faces validity difficulties. Though researchers and others appear to support the theory, the theory faces a number of criticisms. One is that it covers a range of interdependent variables making it complex. The assumption that supervisory decisions are made using detailed calculus is questionable. Also, the impact of coercion and job insecurity on performance is overlooked, since tests of the theory rely on being able to measure and correlate variables, the instruments and statistical methods used are of dubious validity. Nonetheless, this theory helps in understanding the worker's different point of view at workplace in an organization. A supervisor should always work closely with subordinates to maximize expectancy, instrumentality and valence in ways to better support the organization's objective and goals.

Managerial Applications of Expectancy Theory

It has several important implications for ways of motivating employees.

1. **.Clarify people's expectancies that their effort will lead to performance:** Motivation may be enhanced by training employees to do their jobs more efficiently and so achieve higher levels of performance from their efforts. It also may be possible to enhance effort-performance expectancies by following employees' suggestions about ways to change their jobs. To the extent that employees are aware of problems in their jobs that interfere with their performance, attempting to alleviate these problems may help them perform more effectively. In essence, make the desired performance attainable. Thus, good supervisors not only make it clear to people what is expected of them, but they also help them attain that level of performance. Given that fringe benefits represent almost 40 percent of payroll costs, more and more companies are recognizing the value of administering them flexibly.

2. **Clearly link valued rewards and performance:** Managers should enhance subordinates beliefs about instrumentality by specifying exactly what job behaviours will lead to what rewards. It is possible for employees to be paid in ways directly linked to their performance such as through piece-rate incentive systems, sales commission plans or bonuses. Expectancy theory specifies that it would be effective to do so. Indeed, a great deal of research has shown that performance increases can result from carefully implemented merit systems, frequently referred to as **pay-for-performance** plans (a system in which employees are paid differentially, based on the quantity and quality of their performance. Pay-for performance plans strengthen instrumentality beliefs). It is important to caution that such systems are usually so highly effective that it is crucial for organizations to consider exactly what employees might do to monetary in nature. Even verbal recognition perform at high levels. Of course, rewards need be monetary in nature. Even verbal recognition for a job well done can be very effective. In some extreme cases, good performance is rewarded with shares of ownership in the company. Unfortunately, not all incentive plans do as good a job as they should in rewarding desired performance.

Goal-Setting Theory: Edwin Locke introduced the goal setting approach. Locke believed that the intentions to work towards a goal are major sources of work motivation. Basically, the specific goals increase work performance. That is to say that the specific hard goals produce a higher level of output than does the generalized goal of just "do the best. The specific goal itself acts as an internal stimulus and hence provides the motivation force to people. Employees will do better when they get feedback on how well they are progressing toward their goals because feedback helps to identify any discrepancies between what they, have done and what they want to do. Thus, feedback acts to guide behaviour.

Furthermore, the goal setting theory pre-supposes that an individual is committed to the goal, and is determined not to lower or abandon the goal on goal-setting theory application, management by objectives (MBO) is one way of doing it (Huczynski and Buchanan, 2001). However goal setting: theory has implications for the design and conduct of staff appraisal system and MBO methods focus on the achievement of agreed or negotiated performance targets.

Some other theories are learning theories which state that managers can increase employee motivation and performance by the way they link the outcomes that employees receive to the performances of desired behaviours in the organization and goal attainments. Thus, learning theory focuses on the linkage between performance and outcomes in the motivational equation

Managers Guidelines for Setting Effective Performance Goals

Below are very practical 'suggestions that practicing managers can use to enhance motivation.

1. **Assign Specific Goals:** Probably the best-established finding of research on goal-setting is- that people perform at bigger levels when asked to meet a specific high-performance goal than when simply asked to do their best or when no goal at all is assigned. People tend to find

Step 1: Tell the person what was done correctly

Step 2: Tell the person why the behavior is important

Step 3: Stop for a moment of silence

Step 4 Encourage repeat performance

2. **Management by Objectives (MBO):** MBO states what is to be accomplished within a given period of time. They are end results but do not state how the objectives would be accomplished. How to achieve the objectives is the plan. To motivate people to high-level of performance, objectives should be difficult but achievable, observable and measurable, specific, with a target date participatively set when possible and acceptable by employees.

Directing workers to a common goal is what managers should do, for this is what MBO attempts to do. MBO is the process in which managers and their employees jointly get objectives for employees, periodically evaluate their performances and reward according to results. For a programme to be MBO, it should be organization wide. It starts at the top management (that is hierarchy) and works its way down to the workers. Each level of management's objectives must contribute to the next level's objectives. To be successful, MBO takes a lot of commitment, time and participation.

Three Steps of MBO

Step 1. Set individual objectives and plans. Each subordinate jointly sets objectives with the manager.

Step 2. Evaluate performance and give feedback. Giving feedback is the most important management skill. Employees must know how they are progressing toward the objectives.

Step 3 Rewarding according to performance: Employee's performance should be measured against their objectives. Employees who meet their objectives should be rewarded through recognition, praise, pay raises, promotion etc. many organizations now link pay to meeting goals. (Lussier, 2005).

3. **Job Design:** The first step in organization design is job design the process by which managers decide how to divide tasks into specific jobs, for example, McDonaldisation (Jones et al, 2004).

a) After this activity is the division of labour which involves splitting the work to be performed into particular tasks and assigning tasks to individual workers, thus, a critical part of the organizing process, establishing an appropriate division of labour among workers is vital to increasing efficiency and effectiveness. Managers of every organization must analyze the range of tasks to be performed and then create jobs that best allow the organization to give customers the goods and services they want. In deciding how to assign task to individual jobs, however, managers must be careful not to take job simplification too far.

b) Job simplification (the process of reducing the number of tasks that each worker performs). Too much job simplification may reduce efficiency rather than increase it if workers find their Simplified jobs boring and monotonous, become de-motivated and unhappy and as a result perform at low level (Jones et al, 2004)

c) Another step to motivate workers through job design is by the use of job rotation, thus the practice of moving employees from one job to another, typically for short periods of time. This practice reduces boredom and the incidence of repetitive strain injuries. By engaging in different tasks, employees use different muscles, thereby minimizing these injuries (McShane and Von Glinow, 2000)

Job enlargement: Instead of rotating employees through different jobs, job enlargement combines tasks into one job. We might combine two or more complete jobs into one or just add to or more tasks into existing job. Either way, job's skill variety has increased because there are more tasks to perform. Example, a bank clerk handles all activities in a letter-of-credit transaction. Job enlargement can significantly improve customer services because it minimizes coordination problems. These can be achieved only when skill variety is combined with more autonomy and job knowledge.

Job Enrichment: Is assigning responsibility for scheduling, coordinating and planning work employees who actually make the product or provide the service Herzberg said that jobs were enriched only through autonomy and the resulting feeling of responsibility (Herzberg in Meshane et al. 2000). The three (3) most popular methods of job enrichment are empowerment forming natural work units, and establishing client relationships.

- i. **Job empowerment** is a term used to describe how employees are given more autonomy over the work process. This include letting job holders decide work methods, check quality, establish work schedules decide how to solve problems and receive information about and control over financial budgets. It simply refers to a feeling of control and self-efficacy that emerges when people are given power in a previously powerless situation. Empowered employees are given autonomy- the freedom, independence and discretion over their work activities.
 - ii. **Forming natural work units:** Another way to enrich job is to organize tasks into a natural grouping, such as completing a whole product. Assembling an entire toaster rather than just some parts of it is an example of forming a natural work unit.
 - iii. **Establishing client relationships:** Some natural work units assign employees to a specific client group. However, establishing client relationships put employees in direct contact with their clients rather than using the supervisor as a go between. The clients submit work and provide feedback directly to the employee rather than through the supervisor.
4. **Pay and Motivation:** Once a pay level and structure is in place, managers can use pay to motivate employees 10 perform at a higher level and attain their work goals Pay is used to motivate entry-level workers, first line and middle managers and even fop managers, Pay can be used to motivate people to perform behaviours that help an organization achieve its goals and to join and remain with an organization

This must be based on merit pay plan: a compensation plan that buses pay on performance, for example, salary increases, bonuses, employee's stock options (a financial instrument that entitles the bearer to buy shares of an organization stock at a certain price during a certain period of time or under certain conditions), piece-rate pay, commission pay, Scanlon plan (reducing expenses or cutting costs). Members of organization are motivated to develop and implement cost-cutting strategies because a percentage of the cost savings achieved during a specific time is distributed

back to employees, and profit sharing employees receive a share of the organizations profit (Jones et al. 2005)

General Critique of Motivation Theory: One of the major criticisms leveled against motivational approaches to leadership is the problems leaders face in identifying the factors which motivate their workers. Leaders have difficulties in determining why workers behave as they do simply by observing their behaviour. Workers' actions are not always directly related to their conscious or subconscious thoughts. Nor are these actions always related to obvious daily occurrences. For example, if a worker has an argument with a leader and fails to report to work the next day, it may appear that behaviour is a result of the confrontation. Worker's behaviour may actually be motivated by a combination of factors including over work, family illness or' some other problems. However, the worker's behavior may actually be motivated by a combination of factors including over work, family illness or some other problems.

BEHAVIOURAL MANAGEMENT THEORY

Although all the writings of the behavioral theorists were different, they all espoused a theme that focused on behavioral management. It is the study of how managers should personally behave in order to motivate employees and encourage them to perform at high levels and be committed to the achievement of organizational goals. The following theories will thus be examined.

The Work of Mary Parker Follet

Much of her writing about management and about the way managers should behave toward workers was a response to her concern that Taylor was ignoring the human side of the organization. She pointed out that management often overlooks the multitude of ways in which employ can contribute to the organization when managers allow them to participate and exercise initiative in their everyday work lives (McShane et al, 2000)-Follett, in contrast, argued that because workers know the most about their jobs, they should be involved in job analysis and managers should allow them to participate in the work development process. Follett proposed that "authority should go with knowledge... whether it is up the line or down." In other words, if workers have the relevant knowledge, then workers, rather than managers, should be in control of the work process itself, and. managers should behave as coaches and facilitators - not as

monitors and supervisors. In making this statement Follett anticipated the current interest in self-managed teams and empowerment.

She also recognized the importance of having managers in different departments communicate directly with each other to speed decision making. She advocated what she called "cross functioning" members of different departments working together in cross departmental teams to accomplish projects an approach that is increasingly utilized today. She proposed that knowledge and expertise, and not managers formal authority deriving from their position in the hierarchy, should decide who would lead at any particular moment. She believed that power is fluid and should flow to the person who can best help the organization achieve its goals. Follett took a horizontal view of power and authority that saw the formal line of authority and vertical chain of command as being most essential to effective management. Follett's behavioral approach to management has been criticized as very radical for its time.

The Relevance of Hawthorne Studies and Human Relations to the Supervision Literature

Elton Mayo's contribution to the development of the current theoretical thinking on motivation and behaviour at the workplace is, perhaps, the most profound. In the famous Hawthorne studies in the late 1920 and early 1930s, Mayo and his researchers found that informal work groups had a significant effect on worker performance. Group standards and sentiments were more determinants of a worker's output. Results of the Hawthorne studies have justified most of the framework for behavioural theories.

In the United States during the 1920s and 1930s, the Hawthorne studies led to the creation of the human relations movement and a highly influential school of academic and practical management thinking. Although many different studies were conducted, four, in particular stand out. These were the illumination experiments, the relay assembly test room experiment, the interviewing programme and the bank wiring observation room experiment. The studies concluded that organizations are social systems and that workers are the most important part in that system. Motivating the workers to be of good behaviour and consequently enhancing productivity should be a top priority of supervisors (McShane and Von Glinow, 2000).

The conclusions drawn from the Hawthorne studies are that workers are motivated by more than just pay conditions: Supervisors need to recognize that work is a group activity and individuals should be seen as group members and not in isolation. The need for recognition, workers control over their own work, differences between individual needs, management willingness to listen group norms, direct feedback, security and a sense of belonging are more important in

determining workers morale and productivity than the physical conditions under which they work (Ott, 1989, Roethlisberger in J. Steven Ott, 1989). Through their unofficial norms and sanctions, informal groups exercise strong control over the work habits and attitudes of individual group members. Hence, the ability of the informal group or clique to motivate an

Individual at work should not be under-estimated. Lastly, supervisors need to be aware of both individual's social needs and the power of the informal group in order to achieve the formal (official) objectives of the organization (Huczynski and Buchanan, 2001)

Although the Hawthorne studies were criticized, the basic finding endured giving impetus to what is referred to as "the human relations age of thinking about work that emphasized the human side of work and the importance of managing people as human beings in organisations.

McGregor's Theory X and Theory Y

Several studies after the Second World War revealed how assumptions about workers attitudes and behaviour affect the managers behaviour. Perhaps the most influential approach was developed by Douglas McGregor. He proposed that two different sets of assumptions about how work attitudes and behaviours dominate the way managers think and affect how they behave in organizations. McGregor named these two contrasting 'sets of assumptions Theory X and Theory Y (Jones et al, 2000; Mullins, 1989).

According to the assumptions of Theory X; the average worker is lazy, dislikes work, and will try to do as little as possible. Moreover, workers have little ambition and wish to avoid responsibility: Thus, the manager's task is to counteract workers natural tendencies to avoid work. To keep workers' performance at a high level, the manager must supervise them closely and control their behaviour by means of the "carrot and stick" rewards and punishments. Managers who accept the assumptions of Theory X design and shape the work setting to maximize their control over workers behaviours and minimize workers control over the pace of work. These managers believe that workers must be made to do what is necessary for the success of the organisation, and they focus on developing rules, and a well-defined system of rewards and punishment to control behaviour. They see little point in giving workers autonomy to solve their own problems because they think that the workforce neither expect nor desires, cooperation

Theory X managers see their role as to closely monitor workers to ensure that they contribute to the production process and do not threaten product quality (Greenberg et al 1996 Jones et al 2000; Mullins, 1989).

In contrast, Theory Y assumes that workers are not inherently lazy, do not naturally dislike work, and, given the opportunity, will do what is good for the organization. According to Theory Y, the characteristics of the work setting determine whether workers consider work to be a source of satisfaction or punishment; and managers do not need to closely control workers behavior in order to make them perform at a high level, because workers will exercise self-control when they are committed to organizational goals. The implication of Theory Y, according to McGregor, is that the limits of collaboration in the organizational setting are not limits of human nature but of management's ingenuity in discovering how to realize the potential represented by its human resources. It is manager's task to create a work setting that encourages commitment to organizational goals and provides opportunities for workers to be imaginative and to exercise initiative and self-direction (Jones et al, 2000).

When managers design the organizational setting to reflect the assumptions about attitudes and behavior suggested by Theory Y, the characteristics of the organization are quite different from those of an organizational setting based on Theory X. Managers who believe that workers are motivated to help the organization reach its goals can decentralize authority and give more control over the job to workers, both as individuals and in a groups. In this setting, individuals and groups are still accountable for their activities, but the manager's role is not to control employees but to provide support and advice, to make sure employees have the resources they need to perform their jobs, and to evaluate them on their ability to help the organization meet its goals (Jones et al, 2000).

Ouchi's Theory Z

In the 1980s, William Ouchi, a professor interested in differences between work settings in Japan and the United States, took the management approach inherent in Theory Y one step further. In the United States, national culture emphasizes the importance of the individual, and workers saw their jobs from an individualist perspective and thus behave in ways that will benefit them personally. Perhaps because of this, Ouchi noted that many U.S. managers adopt Theory X rather than Theory Y assumptions. They expect workers to behave purely in their own self-interest and believe workers will leave an organization at a moment's notice if they see a better opportunity elsewhere. To counter this expectation, Ouchi speculated that managers should simplify jobs and increase supervision to make it easy to replace workers and minimize any problems that might result from high rates of turnover. In U.S. companies, control is frequently explicit and formalized: Job requirements are clearly specified and most workers are evaluated on and rewarded for their individual level of performance (Ouchi, 1981; Jones et al, 2000).

In contrast, Japanese managers expect workers to be committed to their organizations and therefore treat them differently. Some large Japanese companies guarantee workers lifetime employment and view the training and development of workers as a lifelong investment. Moreover, Japanese workers tend to have a collective or group orientation to their work, a result of the characteristics of Japan's national culture, which emphasizes the importance of groups and organizations rather than individuals. Consistent with the Japanese culture, Japanese managers create work settings that encourage a group-oriented approach to decision making, they give work groups responsibility for job. Performance and they allow work groups to control their own behaviour (Ouchi, 1981).

The strengths of the Ouchi Type Z organization indicate that workers are guaranteed long-term but not lifetime employment, so that their fears of layoffs or unemployment are reduced: Type Z managers attempt to combine the Japanese emphasis on the work group with recognition: of individual contributions by setting objectives for individual workers so that individual performance achievements can be recognized within a group context. Thus, individuals are recognized and rewarded not only for individual performance but, also for interpersonal skills that improve decision-making or communication (Jones et al, 2000). Moreover, the implementation of Theory Z requires an organizational structure that allows the organization to be flexible and responsive to changes inside the organization and in the external environment.

THEORIES X, Y AND Z ANALYSIS, COMPARISONS AND CONTRASTS

While several similarities and differences surround the ideas of theories X and Y, the most obvious comparison is that they both deal with perceptions and assumptions about people. These perceptions tend to take the form of how management views employees while Ouchi's Theory Z takes this notion of perception a bit farther and talks about how the workers might perceive management. With respect to overall management style, McGregor's: Theory X and Theory Y managers seem to have a much more formal leadership style than do Ouchi's Theory Z managers (Luthans, 1983: E:xyz.htm). McGregor's managers seem to have different views of the workers, while their views of the tasks remain the same in both cases: that is, one of specialization, and doing a particular task. Albeit that, Theory Y suggests that the workers would become very good at their particular tasks, because they are free to improve the processes and make suggestions.

Theory Z workers, on the other hand, tend to rotate their jobs frequently, and become more generalists, but at the same time become more knowledgeable about the overall scheme of things within the company. Several parallels indeed exist between these two theorists, namely

McGregor's Theory Y and Ouchi's Theory Z. Both see the relationship between managers and workers in a very similar light. For instance, they both see managers as coaches", helping the workers to be more participative in their endeavour to be more productive. They are more group oriented than the Theory X assumptions, which seem to be more individual oriented. One of the most notable similarities between McGregor's Theory Y and Ouchi's Theory Z appears in the form-of the type of motivation that makes the workers perform in a way that enables them to be more productive. While the Theory X worker is said to require coercion, threats, and possibly even disciplinary action, Theory Y and Theory Z workers are, again, self-motivated. This allows them to focus on the task and also their role within the company. Their desire is to be more productive and enable the company to succeed. Theory X. workers, on the other hand, seem to have just enough self-motivation to show up at work, punch the time clock, as it were, and do only that which is necessary to get the job done to minimum standards (Goldman, 1983).

Thus under Ouchi's theory, managers must be more supportive and trusting of their employees in order to receive the benefit of increased participation in the decisions of the company. As is clearly seen by comparing and contrasting these two theorists, assumptions about people can be clearly understood in order for managers and Workers to make for a more productive environment in the work place (UIF:xyz.htm).

Characteristics of Psychological Group

1. A minimum membership of two (give a range of 2 -30 or more)
2. A Shared communication network: Members must be capable of communicating with every other member.
- 3 A shared sense of collective identity: Group members must identify with each other as individuals acting dependently.
4. Shared goals: The goal concerned is therefore shared and is only achievable by the members working together and not as an individual.
5. Group structure: Individuals in the group will have different roles.

TYPES OF GROUP TASK: The tasks that groups and teams perform vary greatly. These are additive task, conjunctive task, and disjunctive task.

Additive task: In this task, all group members do basically the same job, and the final group product or outcome (group performance) is the sum of all their individual contribution is the final outcome is roughly proportional to the number of individuals contributing or involved.

Conjunctive task: In this task, one member's performance depends on one another. There high interdependency. Thus, a group's least capable member determines performance. A successful group project at university depends on one member finding the information, a second writing it up and third presenting it.

Disjunctive task: In this type of task, once again one member performance depends on another's. There is high interdependency. However, this time, the group's most capable member determines its performance. Groups perform better than: their average member on disjunctive tasks, since even the best performer will not know all the answers and working with others helps improve overall group performance

The Hawthorne Studies: In the United States, during the 1920s and 1930s, Hawthorne studies are to lead to the creation of human relations movement and a highly influential school of academic and practical management thinking. The experiment was carried out at Hawthorne plant to the We stem Electric Company. George Pennock, the Hawthorne plant's technical branch superintendent responsible for production invited Prof. George Elton Mayo to bring an academic research team into the factory for a study when the factory was performing badly.

One of the outcomes of this study is the Hawthorne effect which refers to the tendency of people being observed, as part of a research effort, to behave differently than they otherwise would. The researchers were convinced that the women were motivated not solely by money or by improvements in their working conditions. Their attitudes towards achievement are affected by the group to which they belong. The study discovered the informal organization in work situation. The informal organization refers to the network of relationship that spontaneously establishes themselves between members of an organization on the basis of their common interests and friendship. The study also showed that workers were more responsive to the social forces of their peer group than to the controls and incentives of management (this explains the power of in-group feeling). In this sense, human relations approach to management was born.

The Hawthorne studies concluded that

1. People at work are motivated by more than just pay and conditions.

2. Work is a group activity and individuals should be seen as group members and not in isolation.
3. The need for recognition, security and a sense of belonging is more important in determining workers' morale and productivity than the physical conditions under which they work.
4. Through their unofficial norms and sanction informal groups exercise strong controls over the work habits and attitudes of individual group member.
5. Supervisors need to be aware of both individual's social needs and the power of the informal group in order to align these to achieve the formal objectives.

Group-oriented View of Organizations: Elton Mayo went on to propose a social philosophy which placed groups at the center of understanding human behaviour in organizations. He stressed the importance of informal groups and encouraged managers to grow them. He used the termed natural group to refer to groups of 3 to 6 workers, which, through the normal interaction its members, developed high levels of intimacy and cohesiveness.

BEHAVIOUR IN ORGANIZATION

To best appreciate behavior in organizations, organizational behavior (OB) specialists do not focus exclusively on individuals acting alone. In organizational settings people frequently move together in groups. Furthermore, people, alone and in groups both influence and are influenced by their work environments. The field of OB focuses on the three distinct levels of analysis, individual, groups and organizations. Organizations are interested not only in individual reactions to job demands and cultural differences among employees, but also in how work teams can help the company to be more efficient. To understand the complex dynamics of behavior, organizations the three levels of analysis must be considered (Greenberg et al, 1996).

Groups: Groups embody many important cultural values of modern and traditional society team work, co-operation, and a collection that is greater than the sum of its parts, informal egalitarianism and even indispensability of the individual member. Groups are seen as having motivating, inspiring influence on the individual, drawing the best out of him or her, enable him or her to perform feats that would be beyond him or herself as a detached individual.

Groups can have a healing effect on individuals, bolstering their self-esteem and filling their lives with meaning. Interpersonal behavior builds up into group behavior, which in turn sustains and structures future interpersonal relations. Groups develop particular characteristics, affects not only the behavior of the individuals within them but also their relations to other groups in organization. The idea of group relations (the interactions within and between groups, and to stable arrangements that result from them) is so important that social psychologists have studied it extensively. Very often, we may refer to persons standing at a bus stop or in a queue as group. However it has a more specialist and restricted meaning. It is therefore important to make a distinction between mere aggregates of individuals and what are called psychological groups. The term psychological group is thus, reserved for people who consider themselves to be part of an identifiable unit who relate to each other in a meaningful fashion and who share common dispositions through their shared sense of collective identity for example, football team. An aggregate refers to a collection of unrelated people who happen to be in close physical proximity for a short period of time.

Formal Group: Formal group is one which has been consciously created to accomplish a defined part of an organization's collective purpose. The formal group's functions are the tasks which are assigned to it and for which it is officially held responsible. The characteristics of formal groups:

- They are task-oriented
- They tend to be permanent
- They have a formal structure
- They are consciously organized by management to achieve organizational goals.
- Their activities contribute directly to organization's collective purpose

Informal Group: It refers to a collection of individuals who become a group when members develop interdependencies, influence one another's behaviour and contribute to mutual needs and satisfaction. This group develops during the spontaneous interactions of persons in the group as they talk, joke and associate with one another.

Why Do Informal Groups Exist? Ackroyd and Thompson (1999) introduced the concept of group self-organization to help understand the nature of formal and informal groups. Group self-organization refers to the tendency of groups to form interests, develop autonomy and establish

identities First, using “interests” people have a variety of needs, among which are those for love, esteem and safety Love needs are concerned with belongingness and relationships, esteem need focus on recognition, attention and appreciation, while safety needs concern security of employees The failure to satisfy these needs may result in our inability to feel confident, capable, necessary, or useful members of society, These needs concern our relationship with others and while e may spend time outside of work with our wives, husbands girlfriends, etc. in our relationships with work colleagues, therefore, we re-frequently seek to satisfy these needs.

Secondly, there is the issue of the group autonomy that is, avoiding direct control by management or developing a group’s economic interests. This can be seen as meeting the member’s safety needs. The group in the bank wiring observation room at the Hawthorne works ought to defend itself from outside interference. Again, Melville Datton (1959) described how his research had revealed that many departments in the organizations that he studied felt threatened by invasion from other work units and sections. They created a spy network to identify what other sections were planning to do and prepare defenses against these.

Thirdly, there is the issue of identity and the group, and this group has two aspects: First, there is each person's identify, which comes in part from his or her group membership. Second, there is group identify which distinguishes one group from another All groups develop informal hierarchies which in turn become the basis for building both types of identity. They distinguish: or differentiate themselves from other similar groups in the neighborhood or organization. In any company, there will be numerous formal groups which interlink with each other, and also many informal groups which form a network.

Homan's Theory of Group Formation: Homan, a sociologist and a junior member of Elton Mayo's department of Industrial Research at Harvard Business School and had been involved as a researcher in the Hawthorne studies, has developed the theory of group formation in his book, the Human Group (Homan, 1951). Homan argues that every group (Social System) exists within an environment which affects the group. The group, in tum seeks to influence the environment within which it exists. The mutual interactions between a group and its environment shape the characteristics of the group.

Required and Given Behaviour: These are behaviours which the managers in an organization require or expect of their employees. From the employee's perspective, they are given these. Organizations require individuals to perform certain activities, to have certain interactions with others to adhere to certain norms or rules, and to hold certain sentiments or feelings towards their

work: for example, all supermarket checkout operators are required to scan customer's purchases required activities). They are also given a checklist which specifies that they should greet the customer verbally before processing their purchases and again Say goodbye at the end (required interaction). They are also expected to be positive and friendly towards customers and to hold positive attitudes about their employer (required sentiments) Homan referred to this collectively as the external system.

Emergent or Actual Behaviour: Emergent behaviours are those actions that members do in addition to or in place of the behaviours required by the organization. It consists of activities, interactions and sentiments that can be observed, which emerged from the background factors and the required and given behaviours. Thus, if the job is repetitive, operators might see how quickly, they can perform it so as to give their work more challenge if employees are in close proximity physical context). They might relieve their boredom by talking to one another even though management rules prohibit this.

Team: The term group and teams are used interchangeably, with the personal preference of written and tradition guiding the choice of words rather than conceptual distinction. The term is metaphorically used to apply to a collection of employees to which it is imaginatively, but not literally, appropriate. Hayes (1997) noted that the idea of team must be one of the most widely used metaphors in organizational life. They used the term normatively, to describe a collection of people as to what they should be, or what they would prefer them to be, rather than as they actually are.

According to Meredith Belbin (2000) teams differ from group in these ways:

	Team	Group
Size	Limited	Medium or large
Selection	Crucial	Immaterial
Leadership	Shared or rotating	Sole
Perception	Mutual knowledge and understanding	Focus on Leader
Style	Role spread co-ordination	Convergence conformism
Spirit	Dynamic interaction	Togetherness persecution of opponents

Most commonly, writers focus on the transformation of a group into 'a team. They see differences between the two as being in terms of a group being stuck in the forming (the orientation stage in which the set of individuals has not yet gelled, everyone is busy finding out each other's attitudes and backgrounds and establishing ground rules), storming (This is a conflict stage in the groups-life where members bargain with each other as they try to sort out what each of them individually, and as a group, want out of the group process) and norming. (This is the cohesion stage: the members in the group develop ways of working to develop closer relationships and camaraderie's stages of Tuckman and Jensen's model) while a team is a group that has successfully arrived at the performing stage. From the point of view of management, a team is a group which possesses extra, positive features. As a group comes to acquire these positive characteristics, it is seen as progressing towards the team end of the continuum. These positive team traits include co-operation, co-ordination and cohesion. From this perspective, a group turns into a team once it has organized itself to fulfill a purpose. This implies, a process of conscious self-management by the group, members during which: they assign tasks, develop communication channels and establish decision-making processes. Thus, a transition from a group to a team is the result of a learning process.

In the book entitled 'The Wisdom of Teams' by Jon Katzenbach and Douglas Smith (1993), they used special definition of the concept of real teams, which appear to be groups attaining the performing stage of Tuckman and Jensen's model, They contrast these with work groups, which refer to people who may get on satisfactorily with one another, who do their jobs, but who do not necessarily share either common goals or who are not sufficiently coordinated.

Types of Teams: The classification is mostly based on team autonomy:-which refers to the extent to which a team experiences freedom, independence and discretion in decision' related to the performance of its task.

- a. **Advice team:** Is a team created 'primarily to provide a low of information to management be used in its own decision -making, may be given authority to implement solutions to the problems that it has identified. For example, the quality cycle consists of shop floor employee from the same department, who meet for a few hours each week to discuss ways of improving their work environment.
- b. **Action Team:** Action team members are specialized in terms of the knowledge-and skills that they possess and contribute to achieve their teams' objective. The performance of the

action team is brief and is repeated under new conditions each time, for example, crew (employees who work on aircraft, boats, spacecraft and film set).

- c. **Project Team:** Refers to a collection of employees from different work areas in an organization brought together to accomplish a specific task within a finite time. Once this has been completed, the team is either disbanded or else its members are given new assignments.
- d. **Cross-functional Team:** Refers to a team composed of employees from about the same hierarchical level but from different work areas or functions in the organization, who are brought together to complete a particular task.
- e. **Production Team:** Refers to a stable number of individuals in a relationship involving shared and recognized production goals, with work status defined through a system of social roles and behavioural norms supported by a set of incentives and sanctions, for example, construction workers placing a bridge in position across a motorway
- f. **Organizational Context:** The first major variable in Sandstorm et al's 1 framework is the organizational context of the work team. This refers to those features of an organization which are external to the work team, but which are relevant to the way it operates. The framework lists a total of eight features,
 - 1. **Organizational culture:** Every team operates within an organization that has its own culture and in a wider national cultural context
 - 2. **Task design and task technology:** Every team works to complete its given task in a particular way
 - 3. **Mission clarity:** If a team has a clearly defined mission or purpose within the organization, it can assist those work units that are closely related to or synchronized with the team's work
 - 4. **Autonomy:** Externally, management will determine a team's autonomy. Internally, it will depend on the role of the leader and how they delegate their authority within the team.
 - 5. **Performance feedback:** Receives accurate and timely feedback

6. **Rewards and recognition:** These can be "anything from financial rewards to verbal praise. These two contribute to team effectiveness.
7. **Training and consultation:** Training and consultation in technical skills and interpersonal processes is seen as a key element in achieving team effectiveness.
8. **Physical environment:** The proximity of team members to each other affects both their ability to communicate and their level of team cohesion.

Work Team Boundaries: The second major variable in Sundstrom et al's framework is the set work team boundaries. The boundary for a team is like the fence around a piece of property it allows its members to know who is a member and who is not. It defines both physically and psychologically on whom group members can rely and thereby indicate when it may be necessary for them to go beyond their own team for assistance and resources.

While working to complete an assigned task, a team has to meet the needs of the larger organization within which it is embedded (external integration). At the same time, it has to secure enough independence to allow it to get on with its own work (external differentiation).

These trends of affairs influence group behaviour in the organization

INDIVIDUAL BEHAVIOUR

Model of Individual- Behaviour and Performance: The model illustrates that four factors directly influence an employee's voluntary behaviour and performance motivation, ability, role perceptions and situational contingencies.

- a. **Employee motivation** represents one of the largest competitive reserves and is therefore a key element for increasing the competitiveness of a company. Motivation represents the forces within a person that affect his or her direction, intensity and persistence of voluntary behavior. Direction refers to the fact that motivation is goal-oriented, not random. People, are motivated to arrive at work on time, finish a project a few hours earlier or aim for other targets. Intensity is the persistence which is, the amount of effort allocated to a goal. Finally, motivation involves varying levels of persistence which is, continuing the effort for a certain amount of time.

- b. **Ability:** includes both the natural aptitudes and learned capabilities required to successfully complete a task. Aptitudes are the natural talents that help employees learn specific tasks more easily and complete them quickly and perform them better. For example, people with fine dexterity tend to quickly learn how to manipulate small objects using their fingers. Learned capabilities refer to the skills and knowledge that you have actually acquired.
- i. **Competency approach to employee performance:** For many years, companies hired and promoted people with learned and natural abilities for a specific job. Now they want employees who are flexible enough to work in many jobs, and their talents must fit the needs required by customers, co-workers and stakeholders. Consequently, organizations are quickly moving toward a competency-based approach to employee performance. Competencies are the characteristics of people that lead to superior performance. The main feature of the competency-based approach is to identify the generic competencies that distinguish organization or broad job groups rather than specific jobs. The process began when top management identified the characteristics and behaviours wanted in future leaders.
- ii. **Person-job matching:** Whether an organization relies on broad competencies or job-specific measures, there are basically three ways to match individuals with job requirements. One strategy is to select applicants whose existing competencies best fit the required task. Second approach is to design the job so employees are only given tasks within their capabilities. Thirdly, training and development is one of the most effective ways to improve employee's performance.
- c. **Role Perceptions:** These are a person's beliefs, about what behaviours, are appropriate or necessary in a given particular situation. Employees have accurate role perceptions when they understand the specific tasks assigned to them, the relative importance of those tasks and the preferred behaviours to accomplish those tasks. Inaccurate role perceptions cause employees to exert effort toward the wrong goals and ambiguous role perceptions lead to lower effort.
- d. **Situational Contingencies:** Job performance, depends not just on motivation, ability and role perceptions, It is also affected by situational contingencies which are conditions beyond the employee's immediate control, at least, in the short term, that constrain or facilitate his or her behaviour and performance. Some factors such as time, people, budget

and physical work facilities are controlled by others in the organization. It is important to identify these conditions so that the work environment is optimized for employee performance. Other situational contingencies such as consumer preferences and economic conditions originate from the external environment and consequently, are beyond the employees and organization's control, for example, sales person having problem with sale when the economy experiences recession.

These four factors motivation, ability, role perceptions and situational contingencies affect all conscious behaviour in the workplace.

Work-related Behaviour: People engage in many different types of behaviour in organizational settings. These include joining the organization, remaining with the organization, maintaining work attendance, performing required tasks and exhibiting organizational citizenship.

- a. **Joining the organization:** Companies need qualified people to complete required tasks and acquire valued knowledge. In fact an organization's success of attracting and retaining talented employees is one of the top five non-financial factors used by Wall Street's decision makers to pick stocks. Organization cannot perform well if they are unable to hire qualified people. To benefit from a diverse workforce, companies need to recognize that people with different backgrounds look for jobs in different ways. They need to recruit at different colleges and universities, and advertise in different sources organizations provide signing bonuses to applicants, who accept job offers. All these strategies must motivate applicant to remain in the organization.
- b. **Remaining with the Organization:** Corporate leaders know that organizations need to do more than hire employees, they also need to keep them. The knowledge employees carry in their heads represents a large portion of an organization's intellectual capital. Long-service employees have valuable knowledge about work processes, corporate values and customer needs. Thus, knowledge management involves ensuring that valuable employees stay with the organization. People quit organizations because of job dissatisfaction. Employees become dissatisfied with their employment relationship, which, motivates them to search for and join another organization with better conditions. The labour market is another factor. Even if employees are dissatisfied with their jobs, they remain until another job offer comes along. Some scholars also identified a "hobo phenomenon" as another influence on employee turnover. The "hobo phenomenon"

refers to the idea that some people have short job patterns because they reject the idea that long-term employment with one organization is a sign of career success.

- c. **Maintaining Work Attendance:** Even if employees do not quit, companies still need them to show up for work at scheduled time. What causes people to be absent from work? Situational contingencies certainly influence work attendance. For example, very often, employees say they missed work due to poor weather conditions and lack of transportation. Family responsibilities, which now account for one-quarter of all absences is another reason why people (particularly female employees) miss work (McShane et al, 2000: 37). Ability is also a source of absenteeism, such as when people are incapacitated by illness or injury. Employee motivation to attend is another factor. Attendance motivation mainly explains why absenteeism is higher in companies with generous sick leave benefits and among those who are dissatisfied with their jobs or experience a lot of work-related stress. For these people, taking time off is a way to temporarily withdraw from stressful or dissatisfying conditions.
- d. **Performing Required Tasks:** People are hired to perform tasks above a minimum standard. Task performance refers to: goal-directed activities that are under the individual's control. These include physical behaviours as well as the mental processes leading to behaviours. For example foreign exchange traders at Citibank make decisions and take actions to exchange funds. These traders have certain performance and outcomes of those behaviours must exceed minimum acceptable level. In most jobs employees are evaluated on several performance dimensions. Foreign exchange trader, for example, must be able to identify profitable trades, work operatively with clients and co-workers in a stressful environment, assist in training new staff and work on special telecommunication equipment without error. Each of these performance dimensions requires specific skills and knowledge. Some are more important than others but only by considering all performance dimensions that managers, can fully evaluate an employee's contribution to the organization.
- e. **Exhibiting Organizational Citizenship:** For the past 50 years, management writers have known that organizational success depends on more than just satisfactory job-performance. It also relies on organizational citizenship. Organizational citizenship behaviours extend beyond the usual job duties, avoiding unnecessary conflicts, helping others, tolerating impositions, being involved in organizational activities and performing tasks that extend beyond normal role requirements, for example, good organizational

citizen work cooperatively with co-workers and share resources. They forgive others for mistakes and help co-workers with their problems.

How do employees become good organizational citizens? Various forms of recognition may encourage these behaviours but research has identified two conditions that are essential for organizational citizenship. One is the perceived fairness of the company's treatment of employees. Organizations encourage organizational citizenship by correcting perceptions of injustice in the workplace. Employees feel a higher sense of obligation to walk extra mile when organization distribute reward fairly and have a process in place to correct problems when employees feel unfairly treated. One way to improve organizational citizenship through perceived fairness is to involve employees in decisions that affect them.

The second condition is the degree to which employees hold strong ethical values, particularly a sense of social responsibility or conscientiousness. Social responsibility refers to, a person's or organization's moral obligation toward others who are affected by his/her actions. People. With a strong social responsibility norm are more motivated to assist others, whether or not this assistance will ever be repaid and avoid behaviours that interfere with others goals. It is a value learned through lifelong socialization, so organizations might try to hire people with this value.

The most important influence on this model is individual learning because it affects employee ability, role perceptions and motivation.

INDIVIDUAL PROBLEM-SOLVING STYLES

A question often asked is: "What factors contribute to being a successful manager? An organization might have employees who are talented, have good interpersonal skill, the might experienced, lots of energy and are sometimes just plain lucky. While each of these factors can obviously contribute to a manager's job success, hidden factors also underlie the success of many managers and employees. These factors have to do with perceptions, attributions, personality and attitudes. And because they are hidden or covert, they are hard for others to, see.

All these factors contribute to a problem solving style that reflects the way a person visualizes and thinks about situations. Thus, problem solving style involves perceptions and ways of thinking.

The individual problem-solving styles focus on why and how individuals differ in gathering and evaluating information from the environment. The personality, attitudes, perception and attribution suggests ways of understanding how we affect others and learn to appreciate and build on differences between' ourselves and others. Individuals gather data from the environment either by intuition or their senses. Sensing people gather specific factual data from their environment, whereas intuition people gather global or more abstract data. After gathering data, people make decisions on the basis of thinking or feeling. Thinking people solve a problem by breaking it into logical parts, whereas feeling people use their instinct when making decision.

The discussion of problem-solving styles concentrated on four distinct styles: Sensation-thinkers (STs) gather facts and numbers from their environment and then apply logic to solve problems. Intuitive-thinkers (NTs) use abstract principles and logic to solve problems. Intuitive-feelers (NFs) use intuition together data and then apply personal values when making a decision.

Sensation-feelers (SFs) gather specific facts and figures from their environment and they rely on personal values when making a decision. However, many people exhibit characteristics of each style at various times and in different situations. People also tend to move toward a balance and integration of tie four psychological functions. Although one problem-solving style is not better than another, the requirements of certain positions or roles in organizations lay naturally favor one style over the others.

DEALING WITH DIRFICULT PEOPLE IN ORGANIZATIONS

Every organization is filled with people of diverse character. It is in this regard that very organization designs rules and regulations for its workers to uniformed behavior among them. Notwithstanding this intervention, there are some recalcitrant workers who would not obey the organisational rules and regulations. Such people are referred to as difficult people who stop managers from achieving their goals (Osborne, 2002). These perceived deviants might have developed such behaviour form social experienced and socialization. It is therefore necessary to identify them and deal with them as and when the need arises. For these types of people, the application of conventional supervisory styles will not yield the desired impact. This calls for special attention toward such people. People who are difficult absorb our time and energy. Thus, the earlier a manager can identify who will be difficult and when, the better his chance of dealing with them successfully (Osborne, 2002).

People are difficult because we react differently to pressure and have different expectations in life as well as different internal values. To' anticipate who is most likely to become difficult at

work, there is the need to observe peoples' behaviour in the workplace and the use of personal knowledge about them. People become-stressful at work and hence difficult when they are worried about changes to their jobs or rumours about redundancy. This situation of insecurity and fear may push them to be difficult.

In order to deal with difficult people, supervisors must exercise a lot of constraints and restraints and a high sense of tolerance. To better deal with such people, the following guidelines posited by Osborne (2002) must be followed strictly. Remember that people with dissimilar ability can find each other difficult; watch for signals that more job variety is needed or not; get to know your staff so that you know how best to help them; need to build a supportive culture and recognize supportive staff; identify team members' skills in order to allocate them suitable roles: motivate difficult persons by understanding what they need, should be effectively communicated to and establish rapport with difficult people. Thus, it is important to note that difficult behaviour can become a habit if not tackled earlier (Osborne, 2002).

CORPORATE SOCIAL RESPONSIBILITY

Corporate social responsibility refers to organizations moral obligation towards others who are affected by the actions of the organization (McShane and Von Glinow, 2000). The organization is socially responsible to stockholders, creditors, employees, customers, suppliers, government unions, competitors, local communities and general public.

The thorniest issues faced in defining a company's mission are those that pertain to responsibility. The stakeholder approach offers the clearest perspective on such issues. Broadly stated, outsiders often demand that insiders' claims be subordinated to the greater good of the organization, that is, to the greater good of outsiders. They believe that such-issues as pollution, disposal of solid and liquid wastes and conservation of the natural resources should be principal considerations in strategic decision making. In some countries companies have made pollution prevention a social responsibility.

Different approaches adopted by different firms reflect differences in competitive position, industry, country, environmental and ecological pressures, and host of other factors. In other words, they will reflect both situational factors and differing priorities in the acknowledgement of claims. Obviously, winning the loyalty of growing legions of consumers will require new marketing strategies and new alliances. Many marketers already have discovered these new marketing realities by adopting strategies called the 4Es.

1. Make it Easy for the consumer to be green
2. Empower consumers with solutions
3. Enlist the support of the consumer
4. Establish credibility with all publics and help to avoid a backlash.

The issue of corporate social responsibility (CSR) - the idea that business had a duty to serve society as well as the financial interest of stockholders, has remained a highly contentious one. Yet managers recognize that deciding to what extent to 'embrace CSR is an important strategic decision.

There are three principal reasons why managers should be concerned about the socially responsible behaviour of their firms. First a company's right to exist depends on its responsiveness to the external environment. Secondly, state, central and local government's threat to increase regulation if business does not evolve to meet changing social standards. Third, a responsive corporate social policy may enhance a firm's long-term viability. Underscoring the importance of these factors to the firms is the implicit belief that long-run profit maximization is inexorably linked to CSR.

The Debate: Should a company behave in a socially responsible manner? Friedman and others believe that a business bears a responsibility only for the financial well-being of its stockholders. Implicit in this statement is the idea that corporate actions motivated by anything, other than shareholder wealth maximization threatens that wellbeing (Pearce II and Robinson Jr. 2000: 53). On the other side, proponents of CSR assert that business does not function in a vacuum; it exists to serve, depends upon its environment, cannot be separated from it, and therefore has a responsibility to ensure its well-being.

The second argument for CSR suggests that stockholders' interests may transcend the financial. Many, stockholders expect more from companies in which they have invested than simple appreciation in the economic value of the firm.

The third argument in favour of CSR is that the best way for a company to maximize shareholder wealth is to act in a socially responsible manner. It suggests that when a company behaves responsibly, benefits accrue directly to, the bottom line.

Attempts to undertake a cost-benefit analysis of CSR have not been successful. The process is complicated by several factors. First, some CSR activities incur no dollar costs at all. In addition,

philanthropic activities of a corporation, which have been a traditional mainstay of CSR are undertaken at a discounted cost of the firm since they are often tax deductible.

Socially responsible behavior does not come at a prohibitive cost. Socially responsible behaviours may lead to savings and as a result increase profit. Proponents argue that CSR cost are more than offset in the long-run by an improved company image and increased goodwill.

Critics of CSR believe that companies that behave in a socially responsible manner portfolios comprising these companies' securities should perform more poorly financially than those that do not.

CSR Today: A survey of 2,737 senior US. Managers revealed that 92 percent believe business should take primary responsibility for or play an active role in solving environmental problems, 84 percent believed business should do the same for educational concerns.

Globalization of businesses has made management issues including CSR, more complex as companies increasingly transcend national borders. It is now difficult to come to terms with what constitutes socially responsible behaviour within one culture, let alone, determine ethical values across values. In addition to these are the high barriers facing international including differing corporate- disclosure practices, inconsistent financial data and methods and the lack of CSR research organizations with countries. Despite these problems CSR is growing broad, for example, UK has 30 ethical mutual funds and Canada has socially responsible funds. CSR has evolved into an important strategic consideration for companies.

CSR's Effect on Mission Statement: The issue of CSR is very important that top managers should consider CSR factors in developing mission statements. Managers must identify stakeholder groups and weigh their relative rights and abilities to affect the firm's success. UK companies are proactive to CSR, making it an integral part of the raison d'être whilst other reactive adopting socially responsible behaviour only when they have to.

Social Audit: A social audit attempts to measure a company's actual social performance against the social objectives it has set for itself. A social audit may be conducted by the company itself. However, one conducted by an outside consultant who will impose minimal biases may prove more beneficial to the firm. As with financial audit, outside auditors bring more credibility to evaluation. This credibility is essential if management is to take the result serious and if the general public is to believe the company's public relations pronouncements. A comprehensive strategic management process that explicitly and formally assesses adverse social impact is the key to truly effective corporate performance.

Careful, accurate monitoring and evaluation of company's CSR actions are important not only because the company wants to be sure it is implementing CSR policy as planned but also because CSR actions by their nature are open to intense public scrutiny. Once the social audit is complete, it may be distributed internally or both internally and externally, depending on the firm's goals and situation. Some firms include a section in their annual report devoted to social responsibility activities; others publish a separate periodic report on their social responsiveness.

Managers, also use social audits to scan the external environment, determine firm vulnerabilities and institutionalize CSR within the firm.

STRESS IN ORGANISATION

The Nature of Stress: The term Stress, was first coined by Hans Selye (1936), an endocrinologist, upon observing that different stressors produce similar physiological effects on the body. Many works have been carried out on stress, the various effects it has on people and the causes of such a phenomenon in Beehr and Newman (1978) as in Sutherland et al (2000) define stress as a situation wherein job-related factors interact with a worker to change (that is, disrupt or enhance) his or her psychological and or physiological condition such that the person (that is, mind or body) is forced to deviate from normal functioning. Stress is a consequence of or a general response to an action or situation that places special physical or psychological demands, or both on a person (Hellriegel et al, 1992)

Stress means different things to different people. Stress may arise either from events or situations that cause one to feel tension, pressure; or negative 'emotions such as anxiety and anger, or, simply the response to these situations. These responses include physiological changes, such as increase heart rate and muscle tension, emotional and behavioural changes. However, most. Psychologists regard stress as á process involving A person's interpretation and response to a threatening event.

There is enough evidence to suggest that job stress may increase one's risk of deteriorating his or her health. The combination of high mental demands, low personal control and inadequate social supports is particularly worrisome. There is the belief that mental stress increases blood levels of adrenaline and cortisone two so-called stress hormones. Psychological stress raises the blood pressure and heart rate; if can also induce abnormalities in the heart's pumping rhythm, known as arrhythmias. Stress can also activate platelets in the blood, triggering clots that can block diseased coronary arteries. Furthermore, doctors have known for several years that anger in particular can trigger heart attacks and that mental stress tests-can predict heart trouble more accurately than exercise stress tests.

We may feel stress when we are very busy, have important deadlines to meet, or have too little time to finish all our tasks. Often people experience stress because of problems at work or in social relationships, such as a poor evaluation by a supervisor or an argument with a friend. Some people may be particularly vulnerable to stress in situations involving the threat of failure or personal humiliation. Others have extreme fears of objects or things associated with physical threats, such as snakes, illness, storms, or flying in an airplane and become stressed when they

encounter or think about these perceived threats. Major life events, such as the death of a loved one, can cause severe stress which can go a long way to affect productivity.

Effects of Stress

Stress can have both positive and negative effects. Stress is a normal, adaptive reaction to threat. It signals danger and prepares individuals to take defensive action. Fear of things that pose realistic threats motivates people to deal with them or avoid them. Stress also motivates people to achieve and fuels creativity. Although stress may hinder performance on difficult tasks, moderate stress seems to improve motivation and performance on less complex tasks. In personal relationships, stress often leads to less cooperation and more aggression. If not managed appropriately, stress can lead to serious problems. Exposure to chronic stress can contribute to both physical illnesses, such as heart disease, mental illnesses and anxiety disorders. The field of health psychology focuses in part on how stress affects bodily functioning and how people can use stress management techniques to prevent or minimize disease.

Symptoms of Stress: The symptoms of stress can be categorized into three phases. These are Physical, Emotional and Relational symptoms.

Physical symptoms can be caused by other illnesses, so it is important to have a medical practitioner treat physical disorders such as irregular heartbeat, fatigue, cramps, 'heartburns, eating disorders, constipation, etc.

Like physical signs, emotional symptoms such as anxiety or depression can mask conditions other than stress. It is important to find out whether they are stress-related or not. In either case the following emotional symptoms are uncomfortable and can affect performance at work physical health or relationship with others. Among the emotional symptoms of stress are phobias, "butterflies", substance abuse, and nervousness.

Relational symptoms are related to antisocial behaviours displayed in stressful situations which can cause the rapid deterioration of relationships with family, friends, co-workers or even strangers. Increased arguments, isolation from social activities, overreaction, road rage, and domestic or workplace violence are among other signs related to relational symptoms.

Causes of Stress: The circumstances that cause stress are called stressors. Stressors vary in severity and duration. For example, the responsibility of caring for a sick parent may be an ongoing source of major stress, whereas getting stuck in a traffic jam may cause, mild, short-term stress. Some events, such as the death of a loved one, may be very stressful for individual

persons. However, in other situations, individuals may respond differently to the same event. What is a stressor for one person may not be for another. For example, a student who is unprepared for a chemistry test and anticipates a bad grade may feel stress, whereas a classmate who studies in advance may feel confident of a good grade. For an event or situation to be a stressor for a particular individual, the person must appraise the situation as threatening and lack the coping resources to deal with it effectively. Though there are various causes of stress, the causes are either from the working environment or non-working environment.

Most stress experienced by working persons, may arise as a result of demands to be met by the person at work and off work. According to Sirecphre (1995), the more time people devoted to their jobs, the more the events in their non-work lives adversely affected their work lives. Interestingly, the more time people devoted to activities off their jobs, the less the strain reported. .

Work Related Causes of Stress: Work settings are normally highly stressful environments; however, the degree of stress varies with the kind of job and the organization. Some jobs and organizations expose individuals to high levels of stress on a regular basis. In contrast, others involve much lower levels of stress. Greenberg (1995) states that hospital staff and other jobs such as firefighting, piloting, office management among others expose those who hold them to high levels of stress as against positions such as maid and craft workers. However, within the hospitals, the level of stress may differ from one department to the other. For instance, all things being equal, the stress that emergency room physicians experience would be of a greater degree than that of consulting room doctors.

As contended by Shaw et al (1983), certain jobs are more stressful than others due to existing features of the jobs such as making decisions, constant monitoring of devices or materials, repeated exchange of information with others, unpleasant physical conditions and performance of unstructured tasks rather than structured tasks. The greater extent to which a particular job requires these factors, the more stressful the job tends to be.

a. Role Ambiguity: Stress from Uncertainty

Stress also arises in a number of cases from the uncertainties that accompany the roles of people in their jobs. In instances where persons are able to avoid the stress related to other causes, they may still encounter one common source of job-related stress: role ambiguity. The uncertainty that arises with the several aspects of people's jobs, such as their responsibilities and time management causes stress to develop.

b. Stress from Work Overload and Under-load

Work related stress is viewed by many as the load on employees to do more work than they can handle in a given period of time. Overload is one important cause of stress in many work settings (Greenberg, 1995). In today's developing world, most business or company environments may cause work, related stress 'through overload due to the fact that fewer employees are often required to do more- work. .

The level of stress experienced by employees is of a greater magnitude when there is limited control over how to do their jobs and also completing that job within a shorter time. In a research conducted by Fox et al (1993), with respect to several different measures; it was found that the nurses showed greater signs of stress the more they were overloaded, but only when they also felt lacking in control. On the other hand, those who felt they could better control their work were not as adversely affected by overload. Their findings suggested that while overload is an important determinant of stress, it does not operate alone: specifically, its effects must be examined in conjunction with the amount of control people believe they have.

Although being asked to do too much can be stressful, so can being asked to do too little. In fact, there seems to be considerable truth in the following statement "The hardest job in the world is doing nothing you can't take a break." Under-load leads to boredom and monotony. Since these reactions are quite unpleasant, under-load, too, can be stressful.

c. Occupational Demands: Some jobs are more stressful than others

Jobs such as physician, office manager, foreman, college professor are quite high in stress. In contrast, others such as maid, craft worker, farm labourer are much lower. What precisely makes some jobs more stressful than others? Apparently, several factors are involved. Jobs become increasingly stressful to the extent that they require making decisions, constant monitoring of devices or materials, repeated exchange of information with others, unpleasant physical conditions and performing unstructured rather than structured tasks.

d. Conflict between Work and Non-work Stress from competing demands

In a majority of families with children both spouses work full-time. The result is a constant juggling of work and family responsibilities (known as work juggling). Further, incompatibilities between their work and family obligations expose them to what is widely recognized as another important cause of stress: role conflict, which is usually defined as incompatibility between the

expectations of parties or between aspects of a single role. In this case, the expectations of spouses and children conflict, in many cases with the expectations of bosses and co-workers. How stressful is such family-work role conflict? Research using experience-sampling procedures indicates that juggling work and family tasks often causes individuals to experience feelings of distress and other negative mood states. Fortunately, additional findings indicate that such effects can be lessened by high levels of social support in work settings, as well as certain employment policies, for instance flexible work scheduling and supportive supervisors.

e. Responsibility for Others: A heavy burden

Research findings indicate that in general, people who are responsible for others (who must motivate them, reward or punish them, communicate with them) experience higher levels of stress than those who handle other organizational functions. Such people are more likely to port feelings of tension and anxiety and are actually more likely to show overt symptoms of stress such as ulcers or hypertension. There are two major reasons for this difference. First, it is managers who must ultimately confront the human costs of organizational policies and decisions. For example, they must deliver negative feedback and then witness the distress it generates. Second, it is their task to deal with the many frictions that are a normal part of human relations at work. This involves listening to endless complaints, mediating disputes, promoting cooperation and exercising leadership. All these are demanding and can contribute to the social burden of stress experienced by managers.

f. Lack of Social Support: The costs of isolation

When confronted with stressful situations, we fare much better when we have a network: of friends, and associates to whom we can turn for support and counsel. In fact, several studies indicate that managers who believe they have the friendship and support of their immediate supervisors and co-workers report fewer physical symptoms when exposed to high levels of stress than those who do not feel that they enjoy such support.

g. Sexual Harassment: A pervasive problem in work settings

It is defined as unwelcome sexual advances, requests for favours and other verbal or physical conduct of a sexual nature. Various forms of sexual harassment are far from rare in today's work settings and they are certainly an important source of stress for many individuals. Women had indicated that they had been the object of such harassment and victim of such actions. It is important to note, by the way, that sexual harassment is not restricted to the kind of extreme and

unpleasant actions. It can involve any actions of a sexual nature that create a hostile work environment for employees, such as posting offensive pinups, staring at portions of co-workers anatomy, or making repeated remarks about their appearance. Thus, a boss or fellow employee does not have to request sexual favours or make these a team of employment to commit sexual harassment. Many other forms of sexual behaviour meet the legal definition. Hence, organisations must take concerted action to protect their employees from this devastating cause of stress.

h. Unpleasant physical working conditions

Because of legislation aimed at protecting the health and well-being of employees, most settings today are relatively safe and comfortable. The word relatively should be emphasized, however, because even within the limits imposed by law, there is room for a wide range of variations. In fact, many individuals report that physical conditions under which they work cause them considerable stress. In particular, many employees identify such factors as excessive cause variations in temperature, inadequate or glaring lighting, dusting or polluted air, noise as major cause of stress at work. With respect to noise, the sound of human voices in particular, appears to be stressful and distracting and interferes greatly with effective performance on many task.

Non-work related causes of stress: There are event that occur outside the working environment of individual persons which causes them to experiment stress. Such stress created outside of the workplace is carried back to work. Many events or experiences contribute to the life related stress – everything from family squabbles to leaking roofs, to cars that would not start on cold morning, events that cause stress outside of work are either a major stressful life event or daily hassle (Greenberg, 1995).

a. Stressful life events: In everyday life, there are various occurrences that affects people's life; some occurrences demand an adjustment to the new situations and this creates a perceived burden of difficulty to cope. Holmes et al (1974) came out with the findings that certain circumstances such as the death of a spouse, divorce, marital separation among others caused higher levels of stress on individuals than occurrences such as change in residence, hassles during Christmas season. All things being equal, the greater the number of stressful life events experienced by individuals, the greater the likelihood that their subsequent health would suffer in same manner.

b. Hassles of Daily Life: Daily life is filled with countless minor irritations that seem to make up or their relatively low intensity by their high frequency of occurrence. Several

findings have been propounded that daily hassles are an important cause of stress. Such daily hassles come about as a result of the normal daily activities of people. Various daily hassles are experienced by different people; such daily hassles may include time pressure hassles, inner concern hassles, financial hassles, and environmental hassles. Stress from daily hassles may be crucial due to the fact that they are of a frequent repetitive nature is often carried on to their jobs.

- c. **Total Life Stress: The, combined picture:** From the individual point of view, work-related stress, often combine into a seamless and potentially overwhelming pattern of adversity. The usefulness of adopting a broad approach in which work-related and personal causes of stress are combined into the construct of total negative life stress is suggested by the fact that total stress is a better predictor of negative organizational outcomes than either work-related or life-related stressors alone. For example, reduced job satisfaction and commitment, increased turnover intentions are predictors of negative organizational outcomes. And there is considerable spill-over (emotional and otherwise) between these two spheres of life. So; where stress as actually experienced by individuals is concerned, it makes sense to view stress from work and stress from life events as two sides of the same coin.

Some Major Effects of Stress

There are varying causes of stress. However, the effects that stress has on people-are the same. However, the effects may be of varying degrees. Such effects are referred to as strain. Stress can affect one's psychological well-being, the performance on many tasks, and the accuracy of decisions taken (Greenberg, 1995). In the worst case scenario, it breaks down the human system and causes one to fall sick.

Effect of Stress on Task Performance: Evidence suggests that stress brings to bear mainly negative effects on task performance (Greenberg, 1995). Since stress causes many negative feelings on the human system, it is prudent to realize that, all things being equal, the performance of stress affected persons will not be at its maximum. A research undertaken by Motowidlo et al (1987) indicated that the higher the feeling of stress of certain workers, the lower no performance. This implies that the relationship that exists between stress and job performance is inversely proportional, in that as the degree of stress increases, the performance on the job decreases. This phenomenon occurs because individuals experiencing stress may focus on the unpleasant feelings and emotions stress involves than on the task at hand. Secondly, since stress may harmfully affect health, it interferes with effective performance.

Stress and Decision Making: Whatever the processes involved, it seems that stress can influence decision making in several different ways. Its effect can either be of much cost or

benefit to an individual, a group or an entire organization and this mainly affects the quality of decision making.

Existing evidence indicates that when people make decisions under high-stress conditions, they tend to make more errors than they do at other times (Greenberg, 1995). Moreover, the process through which decisions are reached, and the decisions themselves, seems to suffer. When making decisions under high levels of stress, people often tend to show premature closure, in that decisions are made before examining all available choices. Furthermore, there is the adoption of the non-systematic scanning, because available. Choices are examined in a less systematic manner than they are done under lower levels of stress (Greenberg, 1995). Decision making seems to suffer in several important respects when people must operate in high-stress environments.

High levels of stress also seem to exact important cost with respect to decisions by groups and individuals. This occurs when an authority is centralized and decision making is assigned to higher levels of the organization. Since a lack of participation in decision making is positively related to stress and negatively related to acceptance of the decisions once they are reached, these tendencies towards centralization can prove costly. However, high levels of stress provide certain benefits where group decision making is concerned. Leaders of an organization, in this case show greater responsiveness to inputs from subordinates, and so adopt a more egalitarian approach to decision making. With this breed of diffused responsibilities; decision makers tend to pay more careful attention to others' opinions.

Stress and Psychological Adjustment: Burnout: Most jobs involve some degree of stress. Yet, somehow, the people performing them manage to cope; they continue to function despite their daily encounters with various stressors. Overtime, they seem to be worn down by repeated exposure to stress. Such people are often described as suffering from burnout, and they demonstrate several distinct characteristics such as physical exhaustion, emotional exhaustion, attitudinal exhaustion (often known as depersonalization) and personal accomplishment. The primary cause of burnout is prolonged exposure to stress. However, other variables, individually or collectively, play a role in the course of burnouts. Among them are poor opportunities for promotion and the presence of inflexible rules and procedures leading employees to feel that they are trapped in an unfair system and contribute to the development of negative views about their jobs. Also, leadership styles used by employers may contribute immensely to burnout. The simple truth is that, the less concerned employers are of their employees' welfare or with maintaining friendly relations with them, the higher the employees' reported levels of burnout. Another contributing factor to burnout is the coping style. Some individuals are proactive and invest a great deal of energy in taking charge over events in their lives (control coping). Others simply tend to react; allowing things to happen to them-but trying avoid the consequences (escape: coping). These findings by Greenberg (1995) make a convincing cases that the way

people respond to stressors in their lives can have an important effect on the likelihood of becoming a victim of burnout.

Whatever the precise causes of burnout, once it develops it has important individual consequences. Specifically, job burnout may lead individuals to seek new jobs or careers. A study conducted by Jackson, Schwab and Schuler indicates that the greater the teachers degree of burnout, the more likely they were to prefer another job and to be actively considering a change (Greenberg, 1995). People suffering from burnout may also seek administrative roles where they can hide from jobs they have grown to hate, behind huge piles of forms. Most victims of burnout seem either to change jobs or simply, withdraw psychologically and mark time until retirement.

Stress and Health: The Silent Killer: Just about any maladies one can think of to be linked to stress, there are major health-related consequences. The three major consequences identified are

- **Medical Consequences:** This includes reports of heart diseases and stroke, backache, arthritis, ulcers, headache, lung diseases, etc.
- **Behavioural Consequences:** Certain persons when affected by stress tend to smoke, abuse drugs and alcohol, become violent, have appetite disorders, etc.
- **Psychological Consequences:** The psychological consequences of stress are manifested in various ways and these may include family conflicts, depressions, sexual dysfunctions, sleep disturbances, etc.

Health-related effects of stress are not only quite widespread, but also extremely serious. Unfortunately, in extreme cases the effects of stress can be so severe that it leads to death. The level of stress experienced by individuals at one point increases susceptible into infectious diseases which affect health at later times.

Stress Management: Stress stems from so many different factors and conditions, therefore, to eliminate it entirely from our lives is simply impossible. Several strategies, however, exist to aid in the reduction of its intensity and minimize harmful effects. Two major approaches will be discussed further: techniques individuals can apply themselves and interventions by organizations.

Personal Approaches to Stress Management: There are several different approaches or steps people can take to protect themselves against the adverse effects of stress and these fall under three categories.

- a. Lifestyle Management: The Effects of Diet and Exercise:** Physicians in this contemporary world have and are prescribing changes in lifestyle for patients suffering from maladies related to stress. Among them are efforts of improving one's diet and nutrition and increasing one's physical fitness. Growing evidence indicates that reduced intake of salt and saturated fats, and increased consumption of fibre and vitamin, rich fruits and vegetables, are steps that can greatly increase the body's ability to cope with the physiological effects of stress.

Similarly, physical fitness lowers blood pressure, an important factor in many aspects of personal health. Also, fitness reduces both the incidence of cardiovascular illness and the death rate from such diseases. Although making significant changes in keeping fitness and eating habits can be difficult, and require a large amount of will-power, the benefits attained certainly justify such efforts.

- b. Physiological Technique: Relaxation and Meditation:** As a means of helping people cope more effectively with stress, the act of meditation is highly deemed appropriate and effective to both employers and employees.

Meditation involves deeply relaxing, clearing your mind of external thoughts and concentrating on a simple sound or syllabus over and over again. This simple sound or syllabus is known as the mantra. Essentially, meditation requires sitting quietly in a comfortable position, closing your eyes, relaxing your muscles and breathing slowly, without breaking your concentration by letting your thoughts either your mind but rather fully concentrating on your mantra (Greenberg 1995).

A related technique is relaxation training. In this method, people learn how to first tense-and then relax their muscles. By becoming familiar with the differences between these states, people are able to induce relaxed status whenever they feel themselves becoming stressed. When accompanied by deep breathing and stretching, relaxation is believed to be an effective way of warding off the potentially damaging effects of stress, making people healthier and more productive (Greenberg, 1995).

- c. Cognitive Technique: Thinking Yourself out of Stress:** People worry about things that are really quite unimportant and not directly under their control. In addition, people often engage in what some stress management describe as inappropriate self-talk. This involves people thinking over and over about how horrible and unbearable it will be if they tend to fail over an event if they are not perfect or if everyone they meet does not like them. Such

ludicrous thoughts may be entertained at least occasionally. For many people, merely recognizing that they have implicitly accepted such irrational and self-defeating beliefs is efficient to produce beneficial change and increased resistance to stress.

Instead of engaging in hopeless quest for perfection, individuals can actively decide to avoid such reaction and choose not to become upset when things do not go their way. "For instance, instead of getting upset the next time you are moved to the intensive unit of the accident ward uninformed, it is better to simply note that you cannot do anything about it, and the world will not come to an end. By exercising control over their own cognitive reactions, individuals can reduce the levels of stress they experience.

Organization-based Strategies for Preventing and Managing Stress: Organizations can play a key role in stress management. In particular, they can adopt changes in their internal structure and procedures, or alter the nature of jobs to reduce stress among employees. Although such actions will certainly not eliminate stress all together, they can go a long way towards eliminating many sources of stress in the work place.

- a. **Changes in organizational structure and function;** several types of changes in organizational structure and function may be useful in preventing job related stress. Decentralization, a process in which authority is spread more widely throughout an organization can reduce feelings of helplessness among employees. The opportunity to have a voice in changing the way things are done goes a long way to reduce the overall level of stress. Also, steps can be taken to assure that performance appraisals and the distribution of organizational rewards are as fair as possible. These reward systems, when handled in a reasonable fashion, stress relating to them can be significantly reduced. Stress in organizations can be reduced when organizational policies are written in black and white. Dissemination of policies in employee manuals and if consistently followed, will aid in the elimination of ambiguities that might lead to stress.
- b. **Changes in the nature of jobs:** Careful attention to the nature of specific jobs can also reduce stress. For instance, the stress resulting from boring and monotonous tasks can be lessened through job enlargement. This effort to broaden the scope of required job activities is aimed at reducing the rate of turnovers in organizations. Supervisors in this case can try to put some changes into tasks that are by nature dull and repetitious, and to give employees opportunities to socialize with one another.

Stress Management Programmes: Companies are faced with having to concentrate on methods of reducing stress once it occurs. One of the most popular approaches which call for directly training employees to minimize the harmful effects of stress is known as Stress Management Programmes which are widely used in organizations (Greenberg, 1995). Among these stress management programmes are extensive in-house training concentrating on many of the techniques described earlier (meditation, relaxation, lifestyle management). As a matter of fact since many companies cannot afford to create their own stress management programmes, they often rely on pre-packaged programmes by outside consultants, or using widely available off-the-shelf audio visual programmes or video cassettes. However, companies that do not use stress management programmes have other systematic ways of helping their employees. Many rely on help from their Employee Assistance Programmes (EAPs). These are plans that provide employees with assistance in meeting various problems such as career planning, personal, financial and legal problems.

Companies rely on many different methods for dealing with the problem of stress. The mere fact that so many organizations have been so resourceful in dealing with employee stress provides a good indication of just how critical such problems can be.

These signs and symptoms of stress can range from a major physical crisis like a heart attack, to more minor symptoms like tiredness and disrupted sleep patterns. The more serious stress-related problems usually emerge in the context of prolonged periods of exposure to intense stress. It is therefore important to be able to recognize and manage the early signs and symptoms of stress, in order to avoid the more serious effects of stress on health and well-being. The intensity of stress affects individual performance. However, efforts to curb the rate of stress are particularly important in the case of organization in which employees are subjected to high levels of stress on a regular basis.

ORGANIZATIONAL CHANGE

Definition of Organizational Change

Change is difficult enough in organizations and it then requires monumental effort and persistence. Even in successful organizations leaders need to overcome or bypass resistance to change (MeShane and Von Glinow, 2000). Both politics and conflict can signal to managers that the way an organization operates need to change. For example, poor communication and lack of cooperation between manufacturing and marketing departments may signal a need to increase the integration of these department is or even change the managers involved, However, organizational conflict and politics often arise because changes in the way organization, operates, particularly changes in strategy or structure, inevitably favour some individuals of groups over others. Because organizational conflict, politics and change are intertwined, it is important for managers to develop the skills necessary to manage change effectively (Jones et al., 2000). Organizational change may be defined as alterations in the operations in organizations that are either planned or unplanned and are a result of either internal or external influences.

Assessing the need for organizational change can affect all aspects of organizational functioning, including, organizational structure, culture, strategies, control systems, groups and teams and HRM systems as well as critical organizational processes such as communication, motivation and leadership. Organizational change brings alteration in the way managers carry out the critical task of planning, organizing, leading, controlling and the ways they perform their managerial role.

External Forces for Change

Today's business environment is changing so rapidly that it leaves everyone breathless, the velocity of change is so rapid, so quick, that if you don't accept the change and move with change, you are going to be left behind", says Ford CEO Jacques Nasser. W.A. Schaffer, Head of Managed Care of CIGNA Healthcare, Inc. agrees. "The pace-of change is stunning" he says. We have to re-evaluate our strategic assumptions every six months.

According to Business Week, the list of top performing companies includes Microsoft, Dell Computer, GAP and Oracle. Twenty years ago these companies were either junior start-ups or non-existent. Today, they are leaders in growth and profitability. And unless these companies anticipate and adapt to continual change, few of them will be on the list 20 years from now. As open systems, successful organizations monitor their environments and take appropriate steps to

maintain a comparable fit with the new external conditions. This adaptability requires continual change. It is an ongoing process because environmental change does not end. There are many forces for change in the external environment but the prominent forces are computer technology, global and local competition and demographics.

Computer Technology

Computer technology seems to be the main reason why organizations are experiencing such dramatic and rapid environmental change. More specifically, the systems of network that connect computers throughout the planet have dramatically reduced time and dissolved distances. This relates to the "Law of Telecoms" which says that as the web of computer networks expands, distances will shrink and, eventually become irrelevant. A few years ago e-commerce" was a spelling mistake but now companies are leveraging the power of the internet to offer a variety of electronic commerce experiences. Intranets have also made it easy and inexpensive to transfer information throughout the organization. Suppliers are hooked up to computer-based networks called extranets- to accelerate just-in-time delivery of goods. Major clients are also hooked up to organization's product database for direct ordering and delivery. Computer technology forces corporate leaders to rethink how their organizations are configured, as well as what competencies and expectations employees must have in these emerging organizational forms. It facilitates telecommuting and opens up new employment relationships with employees. It places more emphasis on knowledge management rather than physical presence and manufacturing capacity as a driver of competitive advantage.

Global and Local Competition

Increasing global and local competitions are also powerful forces for organizational change. Competitors are likely to be located in a distant part of the world than within your country. Emerging trading blocs in North America, Europe, the Asia Pacific region, and other areas add another dimension to these competitive forces. For example, Shell's need for change arose mainly because new competitors were threatening the oil company's survival in France and other key markets.

Technology has played a role in increasing global and local competition. A few years ago, no one would have guessed that Internet upstart Amazon.com would be a threat to bookstore giants Barnes & Noble and Borders. AT&T executives would not have predicted that WorldCom would become a major competitor. And few could imagine that cable companies would somehow be competing with telephone companies' Global competition has also fuelled mergers

and acquisitions in recent years. Daimler-Benz merged with Chrysler, British Petroleum merged with Amoco and Arco. Mergers potentially improve a company's competitive advantage through greater efficiency and global reach, but they also require dramatic changes in the way people work.

Local Competition: Again, government deregulation and privatization have also fuelled competition. Energy companies in several US states now compete where they previously held monopolies. Post offices the world over have also been forced to reinvent themselves as their governments open some mail services to the private sector. Government-owned telephone companies have been transformed into private or semiprivate enterprise.

Global and domestic competition often leads to corporate restructuring. To increase their competitiveness, organizations reduce layers of management, sell entire divisions of employees and reduce payroll through downsizing. Many companies have closed plants and laid off thousands of employees due to increased competition and other pressures to increase competition.

Demography

While firms adjust to global competition, they are also adapting to changes in the workforce. Employees are more educated and consequently expect more involvement and interesting work. Generation X employees are less intimidated by management directives and they work to live more than live to work. For example, in Japan corporate leaders must adjust to a younger workforce that is more individualistic. In Singapore, once considered a country with a high respect for authority, younger employees are starting to openly question and debate with senior executives. Meanwhile, in many parts of the world, companies employ a far more diverse workforce than they did a few decades ago. These changes have put pressure on organizational leaders to alter work practices, develop more compatible structures and rewards, and discover new Ways to lead.

Lewin's Force Field Analysis Model

Is easy to see that environmental forces push companies to change the way they operate. However, it is more difficult to see the complex interplay of these forces against other organizational dynamics. Psychologist, Kurt Lewin, developed the force field analysis model to help us understand how the change process works. The Force Field analysis is Lewin's model of system of wide change that helps change agents to diagnose the forces that drive and restrain

proposed organizational change. One side of the force field model represents the driving forces that push organizations toward a new state of affairs. The driving forces in the extreme environment are computer technology global and local competition and demographics. Along these external forces are the internal forces such as competition across divisions, of the company and the leader's need to impose his or her image on the organization.

The other side of the Lewin's model represents the restraining forces that maintain the status quo. These restraining forces are commonly called "resistance to change" because they appear as employee behaviours that block the change process. Stability occurs when the driving and restraining forces are roughly in equilibrium; that is they are of approximately equal strength in opposite direction. Lewin's force field model emphasizes that effective change occurs by unfreezing the current situation, moving to a desired condition and then refreezing the system so that it remains in this desired state. Unfreezing involves producing disequilibrium between the driving and restraining forces. This may occur by increasing the driving forces, reducing the restraining forces, or having a combination of both. Refreezing occurs, when the organizations systems and structures are aligned with the desired behaviours. They must support and reinforce the new role patterns and prevent the organization from slipping back into the old way of doing things. This stabilization does not occur automatically; rather, organizational leaders must continuously destabilize the undesired behaviours.

Restraining Forces

When BP Norge introduced self-directed work teams (SDWTs) on its North Sea drilling rigs, the Norwegian subsidiary of British Petroleum faced more resistance from employees than from the infamous North Sea weather. Many skeptical employees claimed that previous attempts to create SDWTs did not work. Others were convinced that they already had SDWTs, so why change anything? Several people complained that SDWTs required more responsibility, so they wanted more status and pay. Several others were worried that they lacked the skills to operate in SDWTs. Some supervisors were slow to embrace SDWTs because they did not want to give away their cherished power.

Employees in organizations seem to block the change process. Some senior executives identify employee resistance as the main reason why their organization is not more productive. The resistance takes the following forms, passive compliance, complaints, absenteeism, turnover and collective action (strikes and walkouts). Some organizational behaviour scholars point out that these actions do not necessarily represent employee resistance to change. Employees usually

appreciate the need for change and actively embrace it when it does not threaten their own situation. These resistances are more pronounced when the change threatens employee's situation. Rather, these behaviours indicate that restraining forces still exist in the organizational system. For example, resistance occurs because rewards discourage rather than encourage desired behaviours. Similarly, employee norms and roles may be incompatible with the desired state of affairs. These incompatible systems and structures produce obstacles to change which manifest themselves in employee behaviour.

The main reasons why people create obstacles to change include direct costs, saving face, fear of the unknown, breaking routine, incongruent organizational systems and incongruent team dynamics.

Direct costs: People tend to block actions that result in higher direct costs or lower benefits than the existing situation. For instance, supervisors at BP Norge resisted self-directed Work teams because they believed they would lose power as the change process empowered employees.

Saving face: Some people resist change as a political strategy to "prove that the decision is wrong or that the person encouraging change is incompetent. For example, senior executives in a manufacturing firm bought a computer other than the one recommended by the information systems department. Soon after the system was in place, several information system employees let minor implementation problems escalate to demonstrate that senior management had made a poor decision.

Fear of the Unknown: People resist change because they are worried that they cannot adopt the new behaviours. This fear of the unknown increases the risk of personal loss. This happened at a company where the owner wanted sales staff to telephone rather than personally visit prospective customers. These employees had little experience in telephone sales, so they argued against the need for using telephone calls. Some didn't even show up for the training programme that taught them how to make telephone sales.

Breaking Routines: This means that employees need to abandon the behavioural routines that are no longer appropriate. Unfortunately, people are creatures of habit. They like to stay within the comfort zones by continuing routine role patterns that make life predictable. Consequently, many people resist organizational changes that force employees out of their comfort zones and require investing time and energy learning new role patterns.

Incongruent Organizational Systems: Rewards, selection, training and other control systems ensure that employees maintain desired role patterns. Yet the organizational systems that maintain stability also discourage employees from adopting new ways. The implementation, of course, is that organizational systems must be altered to fit the desired change. Unfortunately, control systems can be difficult to change, particularly when they have supported role patterns that worked well in the past.

Incongruent Team Dynamics: Teams develop and enforce conformity to set of norms that guide behavior. However, conformity to existing team norms may discourage employees from accepting organizational change. Team norms that conflict with the desired changes need to be altered

Unfreezing, Changing and Refreezing

According to Lewin's analysis model effective change occurs by unfreezing the current situation, moving to a desired condition and then refreezing the system to remain in this desired state (McShane and Von Glinow, 2000). Unfreezing occurs when the driving forces are stronger than the restraining forces. This occurs by making the driving forces stronger, weakening or removing the restraining forces or combination of both. With respect to the first option, driving forces must certainly increase enough to motivate change. However, change rarely occurs by increasing the driving forces alone, because the restraining forces often adjust to counterbalance the driving forces. The preferred option is to both increase the driving forces and reduce or remove the restraining forces. Increasing the driving forces creates urgency for change, whereas reducing the restraining forces minimizes resistance to change.

Creating an Urgency for Change

Driving forces represent the booster rockets that push employees out of their comfort zones. They energize people to face the risks that change presents to them. Driving forces must be real, not contrived otherwise employees will doubt the change agent's integrity. The change process must begin by informing employees about competitors, changing customer trends, impending government regulations and other driving forces.

Customer driven change (Customer expectations)

Another powerful driver of change is customer expectations. Dissatisfied customers represent a compelling force for a change because of the adverse consequences for the organization's survival and success. Customers also provide a human element that further energizes employees to change current behaviour patterns.

REDUCING THE RESTRAINING FORCES

Effective change involves more than making employees aware of the driving forces. It also involves reducing or removing the restraining forces. There are six ways to overcome employee's resistance. The first four are training, communication, employee's involvement and Stress management - trying to reduce the restraining forces if possible or feasible, should be attempted first. However, negotiations and coercion are necessary for people who will clearly lose something from the change.

Communication: It is the first strategy required for any organizational change. It reduces the restraining forces by keeping the employees informed about what to expect from the change effort. Although time consuming and costly, communication can reduce fear of unknown and develop team works that are more consistent with the change effort.

Training: Retail boot camps and other forms of training are necessary so that employees learn the desired or required skills and knowledge under the new condition. When a company introduces a new sales database, for instance, representatives need to learn how to adapt their previous behavior patterns to benefit from the new system. Training is time consuming but as employees learn new role patterns, they experience less stress and feel more comfortable with breaking previous routines.

Employee Involvement: Employee involvement can be an effective way to reduce the restraining forces because it creates a psychological ownership of the decision. Rather than viewing themselves as agents of someone else's decision, staff members feel personally responsible for its success. This involvement can be done through search conferences; these are group sessions usually lasting a few days in which participants identify environmental trends and determine the way to adapt to those changes or trends.

Stress Management: For some people organizational change is a stressful experience. It threatens their self-esteem and creates uncertainty about their future. Communication, training

and employee involvement can reduce some of these stressors, but companies must introduce formal stress management programmes to help employees cope with the change.

Negotiation: Organizational change is, in large measure, a political activity. People have vested interests and apply their power to ensure that the emerging conditions are consistent with their personal values and needs. Consequently, negotiation may be necessary for employees who will clearly lose out from the change activity. This negotiation offers certain benefits to offset some of the costs of the change.

Coercion: We don't want to give you the impression that firing people is a valuable way to change organizations. On the contrary, this is a risky strategy because survivors (employees who are not fired) may have less trust in corporate leaders and engage in more political tactics to protect their own job security. More generally various forms of coercion may change behavior through compliance, but it won't develop commitment to the change effort. At the same time coercion may be necessary when speed is essential and other tactics are ineffective. For example, it may be necessary to remove several members of an executive team who are unwilling or unable to change their existing mental models of the idea .organization. This is also a radical form of organizational unlearning because when executives leave they take knowledge of the organization's past routines with them. This opens up opportunities for new practices to take hold.

CHANGING TO THE DESIRED STATE

Organizational change takes many forms. For example, the Du Pont information systems employees who were outsourced, the actual changes were probably quite subtle at first. The outsourced employees still worked at Du Pont and probably kept their same desks, but their paychecks came from another company. Eventually, the change required new behaviours, such as calling their new employer rather than Du Pont about employment issues. Change was more dramatic at Royal Dutch/Shell. The company laid off many people and changed the organizational structure. When those actions didn't work, a representation of frontline employees diagnosed marketing opportunities and later implemented these ideas. Overall, change results in new behaviours that employees must learn and internalize.

REFREEZING THE DESIRED CONDITIONS

After unfreezing and changing behaviour patterns we need to refreeze desired behaviors so that people do not slip back into their old work practices, Refreezing occurs when organizational

systems and team dynamics are realigned with the desired changes. Numerous systems and anchors "nail down" desired patterns of behaviour. Organizational structure anchors new roles and behavior patterns. For example, companies that want to encourage decisions and actions that support customer service would redesign the organization around Customers rather than specialized knowledge groups (marketing, engineering).

Organizational rewards are powerful systems that refreeze behaviours. If the change process is supposed to encourage efficiency, then rewards should be realigned to motivate and reinforce efficient behaviour. Information systems play a complementary role in the change process, particularly as conduits for feedback. Feedback mechanisms help employees learn how well they are moving toward the desired objectives, and they provide a permanent architecture to support the new behaviour patterns in the long term. The adage "What gets measured, gets done" applies here. Employees concentrate on the new priorities when they receive a continuous flow of feedback about how well they are achieving those goals.

STRATEGIC VISION, CHANGE AGENTS AND DIFFUSING CHANGE

Kurt Lewin's force field analysis model provides a rich understanding of the dynamics of organizational change. But the model overlooks three important ingredients in effective change processes; strategic vision, change agents and diffusing change.

Strategic Vision

Every successful change requires a clearly, well-articulated vision of the desired future state. This minimizes employee fear of the unknown and provides a better understanding about what behaviours employees must learn for the future state. Strategic visions represent the goals that clarify role perceptions and thereby guide future behaviour. When an organization begins its change process and forms a clear vision, it becomes the most livable company. This image is understood and internalized by involving employees in the change process. The vision statement must be communicated to the employees. Departmental managers should also work out specific plans of action to implement the vision.

Change Agents

Organizational change also requires change agents to help form, communicate and build commitment toward the desired future state. A change agent is anyone who possesses enough knowledge and power to guide and facilitate the change process, for example, external consultants, corporate executives, etc. Effective change agents are transformational leaders.

They form a vision of the desired future state and communicate that vision in ways that are meaningful to others, behave in ways that are consistent with the vision, and build commitment to the vision.

Diffusion of Change

It is often better to test the transformation process with a pilot project, then, diffuse what has been learned through experience to other parts of the organization. The reason is that pilot projects are more flexible and less risky than centralized, organization wide programmes. However, diffusion according to O.B scholars, is more likely to occur when the pilot project is successful with one or two years and receives visibility (favourable news media coverage) and if the diffusion strategy is not described too abstractly

STRATEGIC PLANNING

It involves making decisions about the organizations long-term goals and strategies (Bateman and Snell, 1999: 127). Strategic plans have a strong external orientation and cover major portions of the organization. Senior executives are responsible for the development and the execution of the strategic plan although they usually do not personally formulate or implement the entire plan. Strategic goals are major targets or end results that relate to the long-term survival, value and growth of the organization.

A strategy is a pattern of actions and resources allocation designed to achieve the goals of an organization. The strategy an organization implements is an attempt to match the skills and resources of the organization to the opportunities found in the external environment, that is, every organization has certain strengths and weaknesses. The actions or the Strategies, the organization implements should be directed toward building strengths in areas that satisfy the want and needs of customers and other key actors in the organization's external environment.

Also, some organizations may implement strategies that change or influence the external environment. Today, however, senior executives are increasingly involving managers throughout the organization in the strategy formulation process. Although the CEOs and other top managers continue to furnish the strategic direction or vision of an organization, tactical and even operational managers often provide valuable inputs to the organization's strategic plan. In some cases, these managers also have substantial autonomy to formulate or change their own plans. Because of this new trend, a new term for strategic planning process has emerged known strategic management (Because of the involvement of all the managers).

STRATEGIC MANAGEMENT

This involves managers from all parts of the organization in the formulation and implementation of strategic- goals and strategies. It integrates-strategic planning and management into a single process. Strategic planning becomes an ongoing activity in which all managers are encouraged to think strategically and focus on long-term, externally oriented issues as well as short-term tactical and operational issues. The six major components of strategic management or planning process are:

- i. Establishment of mission, vision and goals
- ii. Analysis of external opportunities and threats
- iii. Analysis of internal strengths and weaknesses
- iv. SWOT analysis and strategy formulations
- v. Strategy implementation and
- vi. Strategic control.

Step 1: Establishment of mission, vision and goals: The first step in strategic planning is establishment of a mission, vision and goals for the organization. Mission is the basic purpose and value of the organization as well as its scope of operations. It is a statement of the organization's reason to exist. It is often written in terms of the general clients it serves. Depending on the scope of the organization, the mission may be broad or narrow. *Strategic vision* moves beyond the mission statement to provide a perspective on where the company is headed and what the company can become. The vision statement ideally clarify the long term direction of the company and its strategic intent.

Strategic goals on the other hand evolve from the mission and vision of the organization. The CEO with approval from board of directors establishes the mission, vision and major strategy goals and communicates them to everyone who has contact with the organization.

Step 2: Analysis of the external opportunities and threats: Successful strategic planning depends on an accurate thorough evaluation of the environment. The analysis begins with the examination of the industry (industry and market profile, major product lines and significant market segments in the industry). Next, organization's stakeholders are examined (Stakeholders are groups or individuals who affect and are affected by the achievements of the organization's

mission, goals and strategies). They include buyers, supplier competitors, government and regulatory agencies, unions and employee groups, financial community, owners and shareholders and trade association. The environmental analysis provides a map of these stakeholders and the ways they influence the organization also examine other forces in the environment such as macroeconomic conditions and technological factors. One critical task in environmental analysis is forecasting future trends.

Forecasting ranges from simple judgment to complex mathematical models that examine systematic relationships among variables. In the same way, executive can identify potential threats as well. Of course, what is an opportunity to one company may be a threat to another. The difference between an opportunity and a threat depends on how a company positions itself strategically .

Step 3: Analysis of internal strengths and weakness: Internal analysis provides strategic decision-makers with an inventory of the organisations skills and resources as well as its overall functional performance levels. Internal analysis involves the following areas or issues.

a) *Resources and core competencies:* Strategic planning has been strongly influenced in recent years by a focus on internal resources. Resources are inputs to production that can be accumulated over time to enhance the performance of a firm (Bateman, 1999). These are tangible resources (assets) such as, real estate, production facilities, raw materials, etc. Intangible assets are company reputation culture, technical knowledge, patents and accumulated learning and experience. Resources have competitive advantage when they are customer valued, that is if it increases the benefits customers derive from a product or service relative to the costs they incur. It also has competitive advantage when it is rare and not equally available to all competitors. To enjoy this patented formulas represent important resources that are both rare and valuable. They can also enhance a firm's competitive advantage when they are well organized. When resources are valuable, rare, imitable and well organize, they can be viewed, as a company's core competencies. Simply stated a core competence is something a company does especially well relative to its competitors.

b. *Bench marking* is the process of assessing how well one company's basic functions and skills compare to those of some other company's' or set of companies. The goal of bench marking is to thoroughly understand the best practices of the other firms.

Step 4: SWOT analysis-and-strategy formulation: After external environment and internal resources analysis, the strategic planner has the information needed to formulate corporate

business and functional strategies of the organization. A comparison of the strengths, weaknesses, opportunities and the threats is normally referred to as SWOT analysis. SWOT analysis, helps the executives to summarize the major facts and forecasts derived from the external and internal analysis. From the analysis, the executives derive a series of statements that identify the primary and secondary strategic issues confronting the organization. Strategy formulation builds on SWOT analysis to utilize strength of the organization in order to capitalize on opportunities, counteract threats and alleviate internal weaknesses. In short, strategy formulation moves from simple analysis to devising a coherent course of action.

- a. Corporate strategy** identifies the set of business markets or industries in which the organization competes and the distribution of resources among those businesses. Four basic

Corporate strategies are:

- i. A concentration strategy which focuses on a single business competing in a single industry, for example, food retailing industry.
- ii. Vertical integration strategy involves expanding the domain of the organization into supply channels or to distributors.
- iii. Concentric diversification involves moving into new businesses that are related to the company's original core business, for example, expanding from restaurant business to airline catering.
- iv. Conglomerate diversification is a corporate strategy that involves expansion into unrelated businesses, for example, a company diversified from railway construction to oil exploration.

They examine the trends in corporate strategy (merger and acquisition). Such merger or acquisitions often influence the organizations corporate strategy, either by concentrating in one industry or by diversifying its portfolio, some critics say that unrelated diversification hurts a company more often than it helps them.

- b. Business strategy:** Afar the top management teams and board make the corporate strategic decisions, executives must determine how they will compete in each business area. Business strategy defines the major actions by which an organization builds and strengthens its competitive position in the market place, for example, Low-cost strategies

attempt to be efficient and offer a standard, no-frills product. They are often large and try to take advantage of economies of scale in production. Others pursue differentiation strategy where a company attempts to be unique in its industry or market segment along some dimensions that customer's value; this is based on high quality product, excellent marketing and distribution. The final step in strategy formulation is the establishment of functional strategies - strategies implemented by each functional area of the organization to support the organization's business strategy. The typical functional areas of an organization are production, HR, marketing, research and development, finance and distribution.

Step 5: Strategy implementation: As with all plans, strategic managers must ensure that the new strategies are implemented effectively and efficiently. In this regard the strategy must be supported by the appropriate organization structure, technology, HRs, reward systems information systems, organizational culture and leadership styles. Secondly, management at all and execution of the means levels must be involved in strategy formulation and the identification to implement the new strategies.

Step 6: Strategic control: The final component of strategic management process is strategic control. Strategic control is a system designed to support managers in evaluating then organizations progress with its strategy and when discrepancies exists, corrective actions are taken. AS with all control systems, the organization must develop performance indicators, an information system and specific mechanisms to monitor progress. For example strategic control systems include some types of budget to monitor and control major financial expenditures (Beteman, 1999).

ORGANIZATIONAL DECISION MAKING

ITS BASIC NATURE: Decision making has immense significance in the growth and operations of organizations. Specifically two different approaches to decision making would be considered: the traditional orientation, which looks at decision making in terms of a continuous series of analytical steps, and a more contemporary approach, which looks at decision making as an automatic, intuitive process. Decision-making is a conscious process of making choices among two or more alternatives with intention of moving toward some desired state of affairs (McShane and Von Glinow, 2000: 336). It is the process through which a problem is identified, solution objectives are defined, a pre-decision is made, alternatives are generated and evaluated, and an alternative is chosen, implemented and followed up (Greenberg et al, 1995).

THE TRADITIONAL, ANALYTICAL MODEL OF DECISION MAKING: Traditionally, scientists have found it useful to conceptualize the process of decision making as a series of steps that groups or individuals take to solve problems. A general model of the decision making process can help us understand the complex nature of organizational decision making. This model highlights two important aspects of the decision making process: formulation, the process of understanding a problem and making a decision about it; and implementation, the process of carrying out the decision made.

The first step in decision making is **problem identification**. To decide how to solve a problem one must first recognize and identify the problem. For example an executive may identify as a problem the fact that the company cannot meet its payroll obligations. This step isn't always as easy as it sounds. In fact, research has shown that people often distort, omit, ignore, and/or discount information around them that provides important cues regarding the existence of problems. It is easy to imagine that someone may fail to recognize a problem if doing so makes him or her uncomfortable. Denying a problem may be the first impediment on the road to solving it.

After a problem is identified, the next step is to **define the objectives** to be met in solving 2 problem is important to conceive of problems in such a way that possible solutions can be identified. The problem identified in our example may be defined as not having enough money or in business terms, "inadequate cash flow" By looking at the problem in this way, the objective is clear: increase available cash reserves. Any possible solution to the problem should be evaluated relative to this objective. A good solution is one that meets it.

The third step in the decision making process is to **make a predecision**. A predecision is a decision about how to make a decision. By assessing the type of problem in question and other aspects of the situation, managers may opt to make a decision themselves, delegate the decision to another, or have the group make the decision. Decisions about how to make a decision should be based on research that tells us about the nature of the decisions made under different circumstances.

The fourth step in the process is **alternative generation**, the stage in which possible solutions to the problem are identified. In attempting to come up with solutions, people tend to rely on previously used approaches that might provide ready-made answers for them in our example, some possible ways of solving the revenue shortage problem would be to reduce the work force, sell unnecessary equipment and material, or increase sales.

The fifth step calls for evaluating **alternative solutions**. Which solution is best? What would be the most effective way of raising the revenue needed to meet the payroll? The various alternatives needed are to be identified. Some may be more effective than others, and some may be more difficult to implement than others. For example, although increasing sales would help solve the problem that is much easier said than done. It is a solution, but not an immediately practical one.

In the sixth step, **a choice is made**. After several alternatives are evaluated, one that is considered acceptable is chosen. As we will describe shortly, different approaches to decision making offer different views of how thoroughly people consider alternatives and how optimal their chosen is made.