Introduction

The course organizational Behavior is a field of study that investigates the impact of those individuals, groups and organization structure on behavior within the organization; and the application of this knowledge to improve productivity and job satisfaction in an organization. Organizational behavior uses systematic study to improve the behavior so as to increase productivity and the employee satisfaction. This course deals with theories of organizations, environment and organizational goal setting, organizational behavior. It also concerns with individual attitude and perceptions of individual and group attributes in organizational behaviors, motivation, group dynamics, group and team formation, leadership, power and politics, conflict and conflict management.

Chapter 1: Introduction to Organizational Behavior

Background

An organization is a system of two or more persons, engaged in cooperative action, trying to reach some purpose. Organizations are bounded systems of structured social interaction featuring authority relations, communication systems, and the use of incentives. Example of organizations includes businesses, hospitals, colleges, retail stores, schools, universities etc. The term organizational behavior is a little misleading because it actually refers to the behavior of people in organizations—organizations themselves do not behave. Organizational behavior tries to understand the behavior, attitudes, and performance of people in organizations. Organizational theory focuses on the design and structure of organizations.

Organizational behavior is an applied behavioral science that is built upon contributions from a number of behavioral disciplines. Now, as perhaps never before, there is a growing awareness that the success of our behavioral sciences. To meet these challenges, we need special tools and the skills to use these tools. It not only presents fundamental behavioral science concepts and theories but also suggests proven simple-to-use tools based on the behavioral sciences.

The objective of this course is to acquaint students with basic skill that help them to better explain, predict, influence and manage human behavior in the organization.

- **Management Functions Roles and Skills Overview**

An organization is as good as the kind of people it possesses which could be expressed in terms of its people's quality of experience, knowledge, skill, expertise. Besides, this greatly depends on the understanding of their behavior and how to properly direct them so that they contribute towards the organization's performance.

We proceed our discussion by having an overview of management's jobs or what managers do in an organization. You may remember management functions from your previous courses. We can study this course by memorizing management concepts such as managerial functions, managerial roles, and management skills and their relations to organizational behavior issues. Before defining the term organizational behavior let us start with the brief explanations of these issues.

- **Management Functions**

Planning: It is a process, by which managers determine aims & objectives of the organization,

- Select best course of actions towards the realization of organization's objectives.

Organizing: It consists of determinations of:

- tasks to be performed,
- how the tasks to be grouped,
- determination of reporting relationship,
-delegation of authority, etc.

Leading: An organization is a deliberate group of two or more people working together & where the manager performs its functions. Management is getting things done through others. So managers should motivate employees, direct the activities of employees, communicate effectively with them, and manage conflicts among the members of the organization. All these activities considered as leading function.

Controlling: This is a management function which aimed at ensuring whether activities are being done as per the plan. It includes monitoring organization's performance, comparing actual performance with the standards of performance and taking corrective measures if there is

- **Managerial Roles**

Another way of looking at what managers do is to look at the roles a manager plays while performing its functions. These management roles are identified by Henry Mintzberg. These are:

Informational Roles: Managers need to collect information about internal & external environments. Typically, it involves monitoring the changes in the environment, transmitting an information to organization members and representing the organization to outsiders.

Decisional Roles: In the entrepreneur roles managers should look for new projects & adapts to the changes in the environment, **under allocator role,** managers allocate human, physical and financial resources. **As disturbance handler**, managers engage in setting any inconveniency (Crises) happen in an organization. Also managers need to bargain with departmental units to gain advantages for their unit which is termed **as negotiator role**.

Interpersonal Roles: All managers are required to perform duties that are ceremonial and symbolic in nature which is called figurehead role. The role including hiring, training, and motivation and disciplining employees is **leadership role**. **Under liaison role**, managers contact with insiders and outsiders who provide the manager with information

- **Management Skills**

It is clear that managers need to possess some sort of skills so as to discharge their duties effectively. These are:

Conceptual skills: This related with mental ability to analyze and diagnose complex situations.

Human skills: This refers to the ability to do with, understand and motivate other people both individually and in groups.

Technical skills: It is all about the ability to apply specialized knowledge or expertise

From functional approach to management, leading function is related with bringing action from people. From roles perspective, management need to play interpersonal roles which is about human being. Again, from management skills view, managers need to develop human skills.

To move towards the accomplishment of organizational goals/objectives, managers need to have human skills whatever you may call as leading function, human skills or interpersonal roles. Management is related with coordinating or leading the activities of other people. In order to gain more contribution from employees, management needs to have better knowledge about people. That is what could possibly help us to appreciate the value of organizational behavior and why organizational behavior and related issues can be studied in detail.

1.1 Definition and Meaning of Organization Behavior

OB is the field of study that investigates the impact that individuals, groups and the structure have on behavior within the organizations for the purpose of applying such knowledge toward improving an organization's effectiveness. It is a field of study. It means that it is a distinct area of expertise with a common body of knowledge.

OB is the study of what people do in an organization and how their behavior affects the organization's performance.

It studies three determinants of behavior in the organizations; individuals, groups and structure. It is a field of study that investigates the impact of that individuals, groups & structure on the behavior within the organization for the purpose of applying such knowledge toward improving an organization's effectiveness (Robbins, 2003).

OB includes the core topics of motivation, leader behavior and power, interpersonal communication, group structure and processes, learning, attitude development and perception, change processes, conflict, work design, and work stress.
Since OB is concerned with employment related situations, we should not surprise to find that it emphasizes behavior as related to jobs, work absenteeism, employment turnover, productivity, human performance and management.

- **Why study OB**?

Today's challenges bring opportunities for managers to use OB concepts. In this section, we review some of the most critical issues confronting managers for which OB offers solutions—or at least meaningful insights toward solutions.

Responding to Economic Pressures -When times are bad, managers are responsible to make decisions to reduce the worst situation, and who worry about their futures. The difference between good and bad management can be the difference between profit and loss or, ultimately, between survival and failure. In good times, understanding how to reward, satisfy, and retain employees is at a premium. In bad times, issues like stress, decision making, and surviving are the primary issues of the manager.

Responding to Globalization: Organizations are no longer constrained by national borders all major automobile makers now manufacture cars outside their borders; Automobiles like Honda builds cars in Ohio, Ford in Brazil, Volkswagen in Mexico, and both Mercedes and BMW in South Africa. Other products like Coke and Pepsi are produced and distributed in different countries. The world has become a global village. In the process, the manager's job has changed.

Increased Foreign Assignments: If you're a manager and you are transferred to your employer's subsidiary in another country, you have to manage a workforce having different needs, aspirations, and attitudes.

Working with People from Different Cultures: To work effectively with people from different cultures, you need to understand how their culture, geography, and religion have shaped them and how to adapt your management style to their differences.

Managing Workforce Diversity: One of the most important challenges for organizations is adapting to people who are different. We describe this challenge as workforce diversity. Globalization focuses on differences among people from different countries; workforce diversity addresses differences among people within given countries.

Workforce diversity acknowledges a workforce of women and men; many racial and ethnic groups; individuals with a variety of physical or psychological abilities; and people who differ in age and sexual orientation.

Improving Customer Service: Management needs to create a customer-responsive culture. OB can provide considerable guidance in helping managers create such cultures—in which employees are friendly and courteous, accessible, knowledgeable, prompt in responding to customer needs, and willing to do what's necessary to please the customer.

Improving People Skills: You'll gain insights into specific people skills that you can use on the job. You'll learn ways to design motivating jobs, techniques for improving your listening skills, and how to create more effective teams.

Stimulating Innovation and Change: An organization's employees can be the impetus for innovation and change. The challenge for managers is to stimulate their employees' creativity and tolerance for change. The field of OB provides a wealth of ideas and techniques to aid in realizing these goals.

Coping with "Temporariness"- Today most managers and employees work in a climate best characterized as "temporary". Permanent employees are replaced with temporary workers. Managers and employees must learn to cope with temporariness, flexibility, spontaneity, and unpredictability. The study of OB can help you better understand a work world of continual change, overcome resistance to change, and create an organizational culture that thrives on change.

Working in Networked Organizations: Networked organizations use e-mail, the Internet, and video-conferencing allow employees to communicate and work together even though they are thousands of miles apart. The manager's job in a networked organization requires different techniques from those used when workers are physically present in a single location.

Helping Employees Balance Work–Life Conflicts -Employees increasingly recognize that work infringes on their personal lives, and they're not happy about it. Recent studies suggest employees want jobs that give them flexibility in their work schedules so they can better manage work–life conflicts. OB offers a number of suggestions to guide managers in designing workplaces and jobs that can help employees deal with work–life conflicts.

Creating a Positive Work Environment - Organizations are trying to realize a competitive advantage by fostering a positive work environment which means practicing engagement, hope, optimism, and resilience in the face of strain.

Improving Ethical Behavior - Employees see people all around them engaging in unethical practices, many elected official engaged in corruptions in government organizations. Employees may not perform their job as expected from the company. The owners of the company may not pay proper compensation for the service employees deliver. Anyone can observe what is happening in our country when he/she seeks to get driving license, ID card from Kebele, pass port, and other services from gov't service giving organizations. The tax invasion problems in tax paying organizations is also unethical practice in our country

Managers and their organizations are responding to the problem of unethical behavior in a number of ways. They're writing and distributing codes of ethics to guide employees through ethical dilemmas. They're offering seminars, workshops, and other training programs to try to improve ethical behaviors. They're providing in-house advisors who can be contacted, in many cases anonymously, for assistance in dealing with ethical issues, and they're creating protection mechanisms for employees who reveal internal unethical practices.

1.2 The Historical Evolutions of Organizational Behavior

Dear learner, historical evolution of OB is concerned with how it evolved in the theory or thinking related to organization. By looking back at history of organizations behavior, you accumulate a great deal of insights into how the field got to where it is today. We will see a brief description of how the theory and practice of organizations behavior have evolved over time. For our purpose we look at the remarkable development made in management from the eighteenth or nineteenth century. The historical evolution of OB could be greatly interlinked with the development of the different schools of management. Hence, it is worth mentioning different schools of thought of management as brief as possible.

A) Classical Management Theory

Serious attention to management began in the early years of twenty century. One of the critical problems facing managers at that time was how to increase the efficiency and productivity of the work force. The focus of the classical school was all how to boost productivity, improve administrative procedure. Brief presentations of each are as follow:

- **Scientific Management**

You remember from introduction to management that scientific management was founded by the person named F.W. Taylor (1856 – 1915). To overcome inefficiency problems faced then, he built the body of principles that constitute the essence of scientific management.

Instead of relying on the traditional work methods, he proposed systematic way of doing each element of job so that efficiency would be improved. After wide analyses of each job and workers` movements on a series of jobs, he forwarded that "One best" way of doing each job should be developed. Taylor developed four basic principles:

- The development of a true science of management, so that the best method for performing each task could be determined.
- The scientific selection of the workers, so that each worker would be given responsibility for the task for which he or she is best suited.
- The scientific education and development of workers
- Intimate, friendly co-operation between management and labor

But workers were placed on jobs with little or no concerns for matching their abilities and aptitudes with the tasks they were required to do. In addition, management and workers considered themselves to be in continual conflict. Taylor's work has been criticized for dehumanizing the work place and treating workers like machines. But his overall contribution to management was significant and lastly great emphasis was given for monetary rewards (i.e. considering man as economic being)

- **Administrative Theory**

Administrative theory describes efforts to define the universal functions that managers perform and principles that constitute good management practice.

Fayol proposed that all managers perform five management functions: They plan, organize, command, coordinate and control. He also forwarded 14 principles of management that have been even in use in modern management. Dear learners, please go back and review these principles from introduction to management course. The focus of Fayol was on development of administrative principles of management.

- **Bureaucratic Theory**

The advocates of the bureaucratic theory contributed yet a third, widely divergent stream of thought -a concern for how the overall structure of an organization influences managerial effectiveness. Max Weber (1846-1920) was a chief advocate of bureaucratic organization.

These classical theories had given little or no concerns for people working in an organization; rather they concentrated on the physical environment of the job.

B) The Human Relations Movement

The major criticism of the classical schools of management which usually described as dehumanization was attempted to be addressed in this schools of management. The Human relation movement is the first schools of management to lay the foundation of the concern of the people in the organization which finally greatly helped to give birth to OB in 1960s.

The term-human relations refer to the manner in which managers interact with subordinates. To develop good relations, followers of this approach believed, managers must know why their subordinates behave as they do and what psychological and social factors influence them.

The major step on the way to current organizational behavior theory was the Human Relations movement that began in the 1930's and continued in various forms until the 1950's popularized by Elton Mayo and his famous Hawthorne studies conducted at the Hawthorne plant of the western electric company.

Though, the early management pioneers recognized the behavioral side of management, they did not emphasize it. But Hawthorne studies marked starting point for the field of organizational behavior.

To sum up, the Hawthorne experiment though it has its own limitation, it has acknowledged the existence of informal groups in organization context and their behavioral effect on the organizational performance. It also showed that not only the physical environments that affect the performance of employee but also social factors have great influence on the behavior of employees.

C) System theory

Systems theory enabled managers to describe the behavior of organizations both internally and externally. Internally, you can see how and why people within organizations perform their individual and group tasks. Externally, you can relate the transactions of organizations with other organizations and institutions. All organizations acquire resources from the outside environment of which they are a part, in turn, provide goods and services demanded by the larger environment.

In system theory, organizations viewed as an organic and open system, which is composed of interacting and interdependent parts, Called subsystems. The flow of inputs and outputs is the basic starting point in describing the organization. Organizations take resources (inputs) from larger system (environment), Processes those resources, and returns them in changed form (output.)

According to system theory,

(1) Effectiveness criteria must reflect the entire input – process – output cycle not simply output and

(2) Effectiveness criteria must reflect the interrelation ships between the organization and its outside environment. Thus, organizations effectiveness is an all-encompassing concept that includes a number of component concepts. The managerial task is to maintain the optimal balance among these components.

According to systems theory, organization is an element of a larger system, the environment. With the passage of time, every organization takes, processes, and returns resources to the environment. The ultimate criterion of organization effectiveness is whether the organization survives in the environment. Productivity, efficiency, accident, turnover, absenteeism, quality, rate of return, morale, and employee satisfaction are indicators of an organization's survival. You may further review to management course.

- **Contributing Disciplines to the OB field**

Organizational behavior is an applied behavioral science that is built upon contribution from a number of behavioral disciplines. The predominant areas are psychology, sociology, anthropology and political science. As we shall learn, psychologies' contributions have been mainly at the individual or micro level of analysis while the other four disciplines have contributed to our understanding of macro concepts such as group processes and organizations.

Psychology

Psychology is the science that seeks to measure, explain, and some times change the behavior of humans and other animals. Psychologists concern themselves with studying and attempting to understand individual behavior. Those who have contributed and continue to add to the knowledge of OB are learning theorists, personality theories, counseling psychologists, and most important industrial and organizations psychologists.

Early industrial and organizations psychologists concerned themselves with problems of fatigue, boredom, and other factors relevant to working conditions that could impede efficient work performance. Or recently, their contributions have been expanded to include learning, perception, personality, emotions, training, leadership effectiveness, needs and motivational forces, job satisfaction, decision making processes, performance appraisals, attitude measurement, employee selection techniques, work design and job stress.

Anthropology -It is the study of societies to learn about human beings and their activities. Anthropology focuses on the study of cultures and environments that help managers understand differences in fundamental values, attitudes, and behavior between people in different countries and within different organizations. The existing understanding of organizational culture, organizations environment and differences between national cultures are gained from Anthropology.

Political Science - it has also made contribution to the field of OB through the study of the behavior of individuals and groups with in a political environment. It focuses on the structuring of conflict, allocation of power, and how people manipulate power for individual self interest

Sociology

Whereas psychology focuses their attention on the individual, sociologist study the social system in which individuals fill their roles, that is, **sociology** studies people in relation to their fellow human beings. Specially, sociologists have made their greatest contribution to OB through their study of group behavior in organizations, particularly formal and complex organizations. Some of the areas within OB that have received valuable input from sociologists are group dynamics, design of work teams, organizational culture, formal organization theory and structure, organizational technology, communications, power and conflict.

Social Psychology

Social psychology is an area within psychology, blending concepts from both psychology and sociology. It focuses on the influences of people on one another. One of the major areas receiving considerable investigation from social psychologists has been change–how to implement it and how to reduce barriers to its acceptance. Additionally, we find social psychologist making significant contributions in the areas of measuring, understanding, and changing attitudes;

Chapter 2: The Individual Behavior

Introduction

Many of the concepts such as motivation, power and politics or organizational culture are hard to assess. It might be valuable to obtain by looking at factors that are easily definable and readily available in an employee's personal file. What factors would theses be? Obvious characteristics would be employees' age, gender, marital status and length of service with an organization fortune, large amount of research that has specifically analyzed many of these biographical characteristics.

2.1 Foundations of Individual Behavior

2.1.1 Biographical Characteristics

Biographical factors such as age, gender, marital status, and length of service in an organization can influence the behavior of employees at the work place. These will be discussed in the following;

a. Age

The relationship between age and job performance is likely to be an issue of increasing importance for some reasons.

First, there is a widespread belief that job performance declines with increasing age.

Second is the reality that the work force is aging. Research study indicates that workers of 55 and older are the fast growing sector of the labor force.

What is the perception of older workers? Evidence indicated that employers had mixed feelings. They see a number of positive qualities that older workers bring to their jobs; specifically, experience, judgment, a strong work ethic and commitment to quality. But older workers are also perceived as lacking flexibility, and as being resistant to new technology and change.

The effects of age on turnover, absenteeism, productivity, and job satisfaction

As your age increase, the less likely you are to quit your job this means as workers get older, they have fewer job opportunities. Again, older workers are less likely to resign because their long tenure provides them with higher wage rates, longer paid vacations and more attractive pension benefits.

Absenteeism and Age: Age- absence relationship is partly a function of whether the absence is avoidable or unavoidable. In general, older workers have low rate of avoidable absence than younger employees; older workers have high rate of unavoidable absence, this may be attributed to poorer health, and longer recovery period that older workers when injured.

Effect of age on productivity: Evidences contradict with the widespread belief that productivity declines with age. It is assumed that if productivity declines with age, it is offset by gains due to experience.

Relationship between age and job satisfaction: The evidence is mixed here. Most studies indicate a positive relationship between age and satisfaction where as others do not.

b. Gender

Few issues initiate more debates, misconceptions, and unsupported opinions than whether women perform as well on jobs as men do. Basically, there are few important differences between men and women that will affect their job performance. There are no consistent male – female differences in problem- solving ability, analytical skills, competitive drive, motivation, sociability, or learning ability. Psychological studies have showed that women are more willing to conform to authority and men are more aggressive and more likely to have expectations of success than women. It is concluded that there is no significant difference in job productivity between men and women. Similarly, there is no evidence indicating that an employee's gender affects job satisfaction.

In situation where the employee has preschool – age children is preferences for work schedules. Mothers are more likely prefer part – time work, flexible work schedules and telecommuting in order to accommodate their family responsibilities where such responsibilities given to women.

Again there are no significant differences about absence and turnover rates between man and Women. Women's quit rates are similar to those for men. Research indicates that women have higher rates of absenteeism than men do where home and family responsibilities are shouldered on women.

c. Marital statues

There are no enough studies to draw any conclusion about the effect of marital status on productivity. But, research consistently indicates that married employees have fewer absences, undergo fewer turnovers and are more satisfied with their jobs than unmarried worker

d. Tenure

What do you remember when you hear about the term tenure? This concept was discussed under 14 principles of Fayol. Simply stated it is to mean to stay long in the organization with some values attached to it.

If we define seniority as time on particular job, it can be said that evidence demonstrates a positive relationship between seniority and job productivity. So tenure, expressed as work experience, appears to be good predictor of employee productivity. Seniority on job is negatively related to absenteeism.

Relationship between Tenure and turnover: The longer a person is in job, the less likely he or she is to quit. Tenure of an employee's previous job is a powerful predictor of that employee's future turnover. Tenure and satisfaction are positively related.

2.2 Perception and Individual Decision Making

2.2.1 Perception

Perception is the process of receiving information about the environment and making sense of the world around us. It entails deciding which information to notice, how to categorize this information, and how to interpret it within the frame work of our existing knowledge. Perception is a cognitive process by which on individual selects, organizes, and gives meaning to environmental stimuli. Through perception, individuals attempt to make sense of their environment and the objects, people and events. Because each person gives his or her own meaning to stimuli, different individuals will perceive the same thing in different ways.

Individuals are constantly bombarded by environmental stimuli that impact their senses of sight, hearing, smell, taste and touch. The exact stimuli that a person focuses on it based on what he or she chooses to pay attention to a particular movement. People see the world around them in their own unique way and respond behaviorally according to their interpretation.

- **Factors Influencing Perception**

A number of factors operate to shape and sometimes distort perception. These factors can reside in the **perceiver**, **in the object or target** being perceived or in the context of the **situation** in which the perception is made.

The perceiver: When an individual looks at the target and attempts to interpret what he/she sees, that interpretation is heavily influenced by personal characteristics of the individual perceiver. Have you ever bought a new bag and then suddenly noticed the same bag on a large number of people? It's unlikely that the number of such bags is suddenly expanded. Rather, your own has influenced your perception so that you are now likely to notice them. This is an example of how factors related to the perceiver influence what he/she perceives.

Among the more relevant personal characteristics affecting perception are **attitudes, motives, interests, past experience, and expectations.**

Unsatisfied needs or motives stimulate individuals and may exert strong influence on their perceptions. For instance, if you didn't eat food for long time and you are hungry, you would be stimulated to look for food to satisfy your need.

The focus of our attention can also influenced by our interests. Because our individual interests differ, considerably, what once person notices in a situation can differ from what others perceive. Just as interests narrow one's focus, so do one's past experiences. You perceive those things to which you can relate.

Objects or events that have never been experienced before are more noticeable than those that have been experienced in the past.

Expectations can distort your perceptions in that you will see what you expected to see.

The target: Characteristics of the target that is being observed can affect what is perceived. Loud people are more likely to be noticed in a group than are quiet ones; the same thing for extremely attractive or unattractive individuals. Motion, sounds, size, and other attributes of a target shape the way we see it.

The situation: The context in which we see objects or events is important. Elements in the surrounding environment influence our perception. If there is car accident on the road, it attracts your perception. The time at which an object or event is seen can influence attention, as can location, light heat, or any number of situational factors.

Attribution Theory

Our perception of people differ from our perception of inanimate objects such as desks, tables, machines, or building because we make inferences about the actions of people that we do not make about inanimate objects. Non-living objects are subject to the laws of nature, but they have no beliefs, motives, or intentions like people. The result is that when we observe people, we attempt to develop, explanations of why they behave in certain ways. Our perception and judgment of a person's actions, will be significantly influenced by the assumptions we make about that person's internal state.

Attribution theory has been proposed to develop explanations of the ways in which we judge people differently, depending on what meaning we attribute to a given behavior. The theory suggests that when we observe the individual's behavior, we attempt to determine whether it was internally or externally caused. That determination, however, depends largely on three factors. (1)Distinctiveness, (2) Consensus, and (3) Consistency.

Internally caused behaviors are those that are believed to be under the personal control of the individual

Externally caused behavior is seen as resulting from outside causes; that is, the person is seen as having been forced into the behavior by the situation.

Distinctiveness refers to whether an individual displays different behaviors in different situations. For instance, in certain action of the individual, if the behavior is unusual, the observer is likely to give the behavior an external situation. If the action is unusual, it will probably be judged as internal.

If everyone is faced with a similar situation responds in the same way, we can say the behavior shows **consensus.** If all students coming from the same areas are always late in 10 munities from the class due to the transportation problem, our consensus is high and we give an external attribution to the students' behavior. But if one student coming from the same area always arrives on time, our conclusion as to causation would be internal.

An observer can look **consistency** in a person's action if a person consistently responds in the same way for the same action. The more consistent the behavior, the more the observer is inclined to attribute it to internal causes.

- **The Perceptual Process**

Stage I: Receiving stimuli: The perception process starts with receiving stimuli. It depicts the environmental stimuli being received by the fives sense organs.

Stage II: Selection of the Stimuli: In this stage, selection of some stimuli happens for further processing while the rest are screened out. This is governed by both factors external to the individual, such as the size, intensity, repetition, and contrast and internal to the individual, such as the self-concept, belief, expectation, response disposition of the perceiver.

Stage III: Organization of stimuli: The selected stimuli are organized in the perceiver's mind to give it a meaningful term. The perceiver is influenced by figure and ground and perceptual grouping.

Stage IV: Interpretation: Assigning meaning to data is called interpretation. Once the inputs are organized in human mind, the perceiver interprets the inputs and draws conclusion from it. But interpretation is subjective as different people interpret the same information in different ways. Stage V: Behavior Response or Action: In this stage the response of the perceiver takes on both covert and overt characteristics. Covert response will be reflected in the attitudes, motives, and feelings of the perceiver and overt responses will be reflected in the actions of the individual

- **Perceptual grouping**

Once relevant stimuli are selected, individuals categorize and group them so that they will make sense.

Because targets are not in isolation, the relationship of a target to its background influences perception as does our tendency to group close things and similar things together. The brain receives stimuli and seeks to recognize common patterns. This is in essence a way of organizing sensations and applies to people, objects, or events. The laws of perceptual grouping are presented as follows:

- **The law of nearness** - other thing being equal, stimuli that are near each other tend to be grouped together. People tend to perceive things, which are nearer to each other, as together as group rather than separately. If four or five members are standing together, we tend to assume that they are belonging to same group rather than as separately. As a result of physical proximity, we often put together objects or events or people as one group even though they are unrelated. Employees in a particular section are seen as group

- **The law of similarity**: Stimuli that are similar in size, color, shape, or form tend to be grouped together. Persons, objects or events that are similar to each other also tend to be grouped together. The greater the similarity, the greater the probability that we will tend to perceive them as common ground. This organizing mechanism helps us to deal with information in an efficiently way rather than getting bogged down and confused with too many details. For examples, we happen to see a group of foreign nationals at an International seminar, Ethiopians as one group, Kenyans as another group, British as another, Americans as yet another based on the similarity of nationalities
- **The law of closure**: The tendency to complete a figure, so that it has a consistent over – all form. In many situation, the information what we intend to get may be in bits and pieces and not fully complete in all respects. However, we tend to fill up the gaps in the missing parts and making it as meaningful whole. Such mental process of filling up the missing element is called as closure. For example, while giving promotions to the staff members, the managers will try to get full information to make an effective decision, in absence of getting complete information, managers try to make meaningful assumptions and based on that suitable decision will be made.
- **The law of figure and ground**: The tendency to group sensations into figures and back grounds.

What we see depends on how we separate a figure from its general background. For instance, what you see as you read this sentence is black letters on a white paper.

Individuals use a framework called schema that uses descriptions of other people, situations, or objects. Useful schemes used by managers are:

Person – based – Managers use a profile/schema to classify employees as good, poor, and outstanding. The schema is then used to compare present employees and job candidates.

Role based – These are judgments about the role a person is playing or can play.

Self – Based – Individuals generalize about their own process, competencies, and preferences based on current or previous experiences.

Event – Based: Managers develop a script or story about the events they are facing.

- **Importance of Perception in OB**

People in organizations are always assessing others. Managers must appraise their subordinate's performance, evaluate how co-workers are working. When a new person joins a department he or she is immediately assessed by the other persons. These have important effect on the organization.

Employment Interview: Employment interview is an important input into the hiring decision, and perceptual factors influence who is hired and vis-à-vis the quality of an organizations labor force.

Performance Appraisals: Performance appraisal is dependent on the perceptual process. An employee’s future is closely tied to the appraisal—promotion, pay raises, and continuation of employment are among the most obvious outcomes.

Assessing Level of Effort: In many organizations, the level of an employee's effort is given high importance. Assessment of an individual's effort is a subjective judgment susceptible to perceptual distortions and bias.

Assessing Loyalty: Another important judgment that managers decide about employees is whether they are loyal to the organization

Productivity: What individuals perceive from their work situation will influence their productivity. More than the situation itself, whether a job is actually interesting or challenging is not relevant. How a manager successfully plans and organizes the work of his subordinates in structuring their work is far less important than how his subordinates perceive his efforts. Therefore, to be able to influence productivity, it is necessary to assess how workers perceive their jobs.

Absenteeism and Turnover: Absence and turnover are some of the reactions to the individual’s perception. Managers must understand how each individual interprets his job and where there is a significant difference between what is seen and what exists and try to eliminate the distortions. Failure to deal with the differences when individuals perceive the job in negative terms will result in increased absenteeism and turnover.

Job Satisfaction: Job satisfaction is a highly subjective, and feeling of the benefits that derive from the job. Clearly this variable is critically linked to perception. If job satisfaction is to be improved, the worker's perception of the job characteristics, supervision and the organization as a whole must be positive. Understanding the process of perception is important because:

(1) It is unlikely that any person's definition of reality will be identical to an objective assessment of reality.

(2) It is unlikely that two different person’s definition of reality will be exactly the same.

(3) Individual perceptions directly influences the behavior exhibited in a given situation**.**

2.2.2 Individual Decision Making

Individuals in organizations make decisions. That is, they make choices among two or more alternatives. Top managers, for instance, determine their organization's goals, what products or services to offer, how best to operations, or where to locate a new manufacturing plant.

Middle and lower level managers determine production schedules, select new employees, decide how pay raises are to be allocated. Individual decision making, therefore, is an important part of organizational behavior. But how individuals in organizations make decisions and the quality of their final choices are largely influenced by their perceptions.

Decision making occurs as a reaction to a problem. That is, there is a discrepancy between some current state of affairs and some desired state, requiring consideration of alternative course of action. Moreover, every decision requires interpretation and evaluation of information. Data are typically received from multiple sources and they need to be screened, processed, and interpreted. Which data, for instance, are relevant to the decision and which are not? The perception of the decision maker will answer that question. Alternatives will be developed and the strengths and weaknesses of each will need to be evaluated. Since alternatives do not come with their clear strengths and weaknesses, the individual decision maker's perceptual process will have a large bearing on the final outcome.

The Rational Decision- Making Process

Individuals should behave in order to maximize or optimize a certain outcome. We call this a rational decision making process. The optimizing decision maker is **rational**. That is he/she makes consistent value- maximizing choices within specific constraints. These choices are made the following six- steps.

1. Define the problem: The model begins by defining the problem. a problem exists when there is a discrepancy between an existing and a desired state of affairs. Many poor decisions can be traced to the decision maker overlooking a problem or defining the wrong problem.

2. **Identify the Decision Criteria:** Once a decision maker has defined the problem, he or she needs to identify the decision criteria that will be important in solving the problem. In this step, the decision maker determines what is relevant in making the decision. This step brings the decision maker's interests, values, and similar personal preferences.

3 **Allocate weight to the Criteria**: The criteria identified are rarely all equal in importance. So, the decision maker has to weight the previously identified criteria in order to give them the correct priority in the decision.

4. **Develop the Alternatives**: This requires the decision maker to generate possible alternatives that could succeed in resolving the problem. No attempt is made to appraise these alternatives, only to list them.

5. **Evaluate the Alternatives**: Once the alternatives have been generated, the decision maker must critically analyze and evaluate each one. This is done by rating each alternative on each criterion. The strength and weakness of each alternative become evident as they are compared with the criteria.

6. **Select the Best Alternative**: This is arriving at the optimal decision. This is done by evaluating each alternative against the weighted criteria and selecting the alternative with the highest total score.

- **Improving Creativity in Decision Making**

The rational decision maker needs **creativity**, that is, the ability to produce novel and useful ideas. These are ideas that are different from what has been done before but that are also appropriate to the problem or opportunity presented. Why is creativity important to decision making? It allows the decision maker to more fully appraise and understand the problem, including seeing problems others cannot see. However, creativity is most obvious value in helping the decision maker to identify all viable alternatives.

Creative potential: Most people have creative potential that they can use when confronted with a decision making problem. But to unleash that potential, they have to get out of the psychological nuts, most of us get into and learn how to think about a problem in divergent ways. People differ in their creativity.

Three Component Model of Creativity: Given that most people have the capacity to be at least moderately creative, organizations and individuals do something to stimulate employee's creativity.

Based on an extensive body of research, this model proposes that individual creativity essentially requires **expertise**, **creative-thinking skills**, and **interstice task motivation**. Studies confirm that the higher the level of each of these components, the higher the creativity is.

Expertise is the foundation for all creative work. The potential for creativity is enhanced when individuals have abilities, knowledge, proficiencies, and similar expertise in their fields of endeavor. For instance, the knowledge of computer is necessary for an individual to be creative in computer programming.

Creative thinking skills encompass personality characteristics associated with creativity, the ability to use analogies, as well as the talent to see the familiar in a different light. For instance, individual traits such as **intelligence**, **independence, self-confidence, risk taking, an internal locus of control, tolerance for ambiguity, and perseverance in the face of frustration** have been found to be associated with the development of creative ideas.

The effective use of analogies, allows decision makers to apply an idea from one context to another. Some people have developed to their skill at being able to see problems in a new way. They are able to make the strange familiar and the familiar strange.

Intrinsic task motivation is the desire to work on something because it's interesting, involving exciting, satisfying or personally challenging. This motivational component is what turns **creativity potential** into actual creative ideas. It determines the extent to which individuals fully engage their expertise and creative skills. So creative people often love their work, to the point of seeming obsessed. Importantly, an individual's environment can have a significant effect on intrinsic motivation. Specifically, five organizational factors have been found that can impede your creativity:

Commented [T1]:

(1) **Expected evaluation** - focusing on how your work is going to evaluate;
(2) **Surveillance** – being watched while you are working;
(3) **External motivators** – emphasizing external, tangible rewards;
(4) **Competition** – facing a win-lose situations with peers;
(5) **Constrained choice** – being given limits on how you can do your work

Intuitive Decision Making

An intuitive decision making is defined as an unconscious process created out of distilled experience. It does not necessarily operate independently of rational analysis; rather, the two complement each other. Intuitive decision making can be used in the following conditions.

(1) When a high level of uncertainty exists;
(2) When there is little precedent to draw on;
(3) When variables are less scientifically predictable;

(4) When 'facts' are limited;

(5) When facts do not clearly point the way to go;

(6) When analytical data are of little use;

(7) When there are several plausible alternative solutions from which to choose, with good arguments for each; and

(8) When time is limited and there is pressure to come up with the right decision.

- **Individual Differences in Decision – Making Styles**

Research on decision styles has identified four different individual approaches to making decisions. This model was designed to be used by managers, and aspiring managers, but its general framework can be used by any individual decision maker.

The basic foundation of the model is the recognition that people differ along two dimensions. The first is their way of thinking. Some people are logical and rational. They process information serially. In contrast, some people are intuitive and creative. They perceive things as a whole. Note that these differences are above and beyond general human limitations such as we described regarding bounded rationality. The other dimension addresses a person's **tolerance for ambiguity**. Some people have a high need to structure information in ways that minimize ambiguity, while others are able to process many thoughts at the same time. When these two dimensions are analyzed, they form four styles of decision making. These are **directive**, **analytic**, **conceptual**, and **behavioral.**

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People using the **directive style** is have low tolerance for ambiguity and seek rationality. They are efficient and logical, but their efficiency concerns result in decisions made with minimal information and with few alternatives assessed. Directive types make decisions fast and they focus on the short run.

The analytic type has a much greater tolerance for ambiguity than do directive decision makers. This leads to the desire for more information and consideration of more alternatives than is true for directives. Analytic managers would be best characterized as careful decision makers with the ability to adapt to or cope with new situations.

Individuals with **a conceptual style** tend to be very broad in their outlook and consider many alternatives. Their focus is long range and they are very good at finding creative solutions to problems.

The behavioral style characterizes decision makers who work well with others. They are concerned with the achievement of peers and those working for them and are receptive to suggestions from others relying heavily on meetings for communicating. This type of manager tries to avoid conflict and seeks acceptance.

Although these four categories are distinct, most managers have characteristics that fall into more than one. Some managers rely almost exclusively on their dominant style; however, more flexible managers can make shifts depending on the situation.

Business students, lower-level managers, and top executives ten to score highest in the analytical style because formal education, particularly business education, gives to developing rational thinking.

Ethical Decision Criteria

No contemporary discussion of decision making would be complete without inclusion of ethics because ethical considerations should be an important criterion in organizational decision making.

An individual can use three different criteria in making ethical choices.

The first is the **utilitarian criteria**, in which decisions are made solely on the basis of their outcomes or consequences. The goal of **utilitarianism** is to provide the greatest good for the greatest number. This view tends to dominate business decision making. It is consistent with goals such as efficiency, productivity, and high profits. By maximizing profits, a business executive can argue he/she is securing the greatest good for the great number

Another ethical criterion is to focus on **rights**. This calls on individuals to make decisions consistent with fundamental liberties and privileges as set forth in documents such as the Bill of Rights. An emphasis on rights in decision making means respecting and protecting the basic rights of individuals, such as the right to privacy, to free speech, and to due process. For instance, use of this criterion would protect whistle – blowers when they report unethical or illegal practices by their organization to the press or government agencies on the grounds of their right to free speech.

A third criterion is to focus **on justice**. This requires individuals to impose and enforce rules fairly and impartially so there is an equitable distribution of benefits and costs. Union members typically favor this view. It justifies paying people the same wage for a given job, regardless of performance differences, and using seniority as the primary determination in making layoff decisions.

Each of these three criteria has advantages and liabilities. A focus on utilitarianism promotes efficiency and productivity, but it can result in ignoring the rights of some individuals, particularly those with minority representation in the organization. The use of rights as a criterion protects individuals from injury and is consistent with freedom and privacy, but it can create an overly legalistic work environment that hinders productivity and efficiency. A focus on justice protects the interests of the underrepresented and the less powerful, but it can encourage a sense of entitlement that reduces risk taking, innovation, and productivity.

Decision makers, particularly in for profit organizations, tend to feel safe and comfortable when they use utilitarianism. Increased concern in society about individual rights and social justice suggests the need for managers to develop ethical standards based on non-utilitarian criteria. This presents a solid challenge to today's managers because making decisions using criteria such as individual rights and social justice involves far more ambiguities than using utilitarian criteria such as effects on efficiency and profits. This helps to explain why managers are increasingly criticized for their actions. Raising prices, selling products with questionable effects on consumer health, closing down plants, laying off large numbers employees, moving production overseas to cut costs, and similar questions can be justified in utilitarian terms. But that may no longer be the single criterion by which good decisions should be judged.

2.3 Values, Attitudes, and Motivation

2.3.1 Values

Values are shared assumptions by members of the society as to what is good, desirable and undesirable. It is a widely held belief that some activities, relationships, feelings or goals are important to the society's identity or well – being. It is a belief held by society that defines what society considers correct of relative importance. They are powerful determents of human behavior, in individuals, groups, and society as a whole.

Values represent basic convictions that "a specific mode of conduct or end – state of existence is personally or socially preferable to an opposite or converse mode of conduct or end-state of existence. "They contain a judgmental element in that they carry an individual`s ideas as to what is right, good or desirable.

Values are characterized by content and intensity attributes. The content attributes states that a mode of conduct or end-state of existence is important. .

The intensity attribute specifies how important it is. When one's values are ranked interims of their intensity, we obtain values system which is a hierarchy of values based on the relative importance attached to each value such as freedom, pleasure, self – respect, honesty, obedience, and equality.

Values are the conscious, effective desires or wants of people that guide behavior. An individual's personal values guide behavior on and off the job. If a person's set of values is important, it will guide the person and also enable the person to behave consistently across situations. Values are passed from one generation to the next generation and are communicated through education systems, religion, families, communities, and organization.

Are values flexible? Values tend to be relatively stable and enduring. A significant portion of values we hold is established in our early years- from parents, teachers, friends and others, as children were told that certain behaviors or outcomes are always desirable or always undesirable. But this does not mean that an individual's values are absolutely stable .When widely held values are found no longer acceptable, they are exposed to change.

Values could also be expressed as stable evaluation of beliefs that guide our preferences for outcome or courses of actions in a variety of situations. They are perceptions about what is good or bad, right or wrong – values don not just represent what we want: they state what we " Ought" to do-socially desirable ways to achieve our needs. They influence our choice of goals and the means for achieving those goals. Without values to guide us, it would be difficult to make any decision.

Managers need to know that all people may not give the same emphasis for value. For example, is capital punishment right or wrong? Some people may say it is right for committed crimes like murder, whereas others argue that no government has the right to take any one's life.
Individual's value tend to reflect the societal values in which they grew up. The values of those in middle and upper management have an important effect on the entire ethical climate within an organization. Values differ across – cultures, as a result, managers should have understanding of

these differences so that they can explain and predict behaviors of employees from different countries.

Values are important to the study of organizational behavior because they lay the foundation for the understanding of attitudes, and motivation and because they influence our perception.

2.3.2 Attitudes

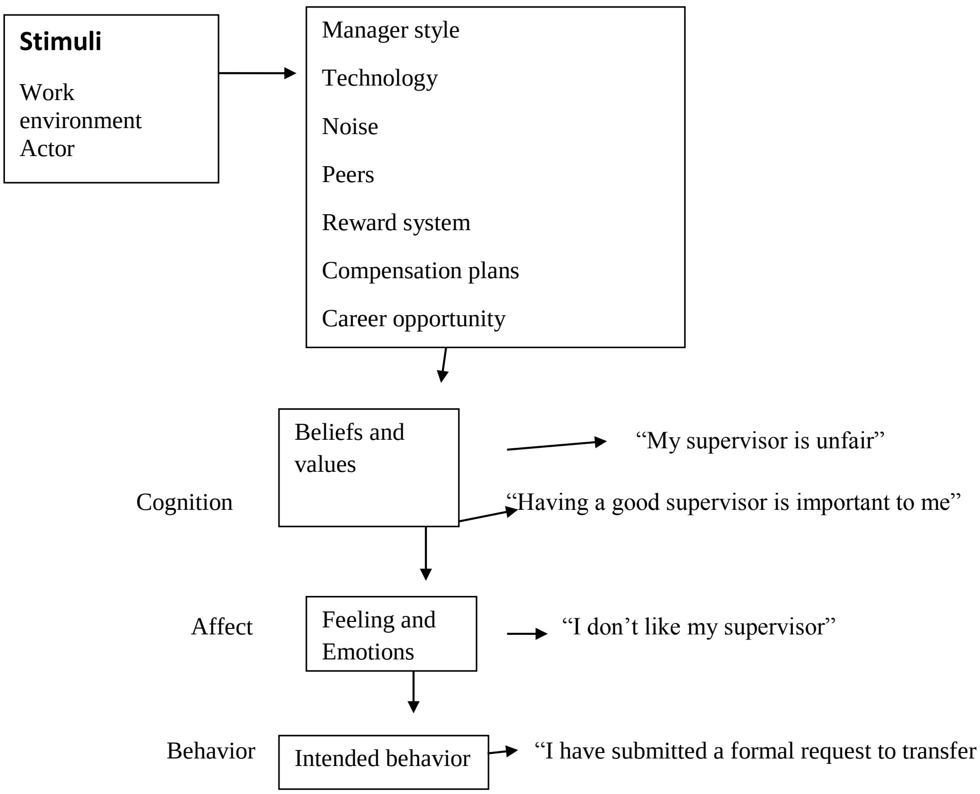
Attitudes are evaluative statements – either favorable or unfavorable- concerning objects, people, or events. They reflect how one feels about something. For example, when a worker says "I like my work," he is expressing his attitude about work. An attitude is a mental state of readiness learned and organized through experience, exerting a specific influence one person's response to people, objects, and situations with which it is related. Attitudes could have the following components:

I. **The cognitive** component of an attitude consists of the person's perceptions, opinions, and beliefs. It refers to the thought processes with special emphasis on rationality and logic. An important element of cognition is the evaluative beliefs held by a person. For example, "discrimination is wrong." Evaluative beliefs are manifested in the form of favorable or unfavorable impressions that a person holds toward an object or person.

II. Affective*:* it is the emotional aspects of an attitude and is often learned from parents, teachers, and per group members. It is a part of an attitude that is associated with" Feeling" a certain way about a person, group, or situation. For example, "I do not like my supervisor because he discriminates against minorities."

III. **The behavioral** component of an attitude refers to the tendency of a person to act in a certain way toward someone or something. A person may act in warm, friendly, aggressive, etc. way or in any number of other ways. Though viewing attitudes as made up of cognition, affect, behavior – is helpful in understanding there complexity and potential relationship. Remember that an attitude essentially refers to the affect part of the three components. The following exhibit illustrates how a work environment can influence the three components of attitudes.

Figure 3.1 Components of Attitude



In organization, attitudes are important because they affect job behavior. It is through attempts to develop generally favorable attitudes toward the organization and the job that many managers achieve effectiveness.

- **Changing Attitudes**

Managers are often faced with the task of changing their employees' attitudes in order to get them to work and achieve higher job performance. Although many variables affect attitude change, the process depends on three general factors: the communicator the message itself, and the situation.

The communicator the employees are more likely to change their attitudes, if they trust the manager, (like the manager, and perceive the manager as having prestige.) If the manager is not trusted, his/her efforts at changing attitudes will fall short because the employees will not believe or accept the manager's message.

The Message: Even if the manager is trusted, liked, and seen as having prestige, the message needs to be clear, understandable, and convincing. The manager attempts to change attitudes by delivering persuasive messages. In order to be effective at changing employees attitudes, managers need to develop and deliver consistent and persuasive verbal and nonverbal messages.

The situation: Managers' ability to change employee's attitudes depends partly on the situation in which the effort takes place. Many situational factors and the pleasant surroundings may have influences on an attempt to change the attitude.

2.3.3 Job Satisfaction

Job satisfaction refers to an individual's general attitude to word his or her job. It is an attitude people have a bout their jobs. It results from their perception of their jobs and the degree to which there is a good fit between the individual and the organization.

Job satisfaction involved cognitive, affective, and evaluative reactions or attitudes and states it is "a pleasurable or positive emotional state" resulting from the appraisal of one's job or job experience (Locke). Job satisfaction is a result of employees' perception of how well their jobs provide those things that are viewed as important. Job satisfaction is really a collection of attitudes about specific facets of the job. Employees can be satisfied with some elements of the job while simultaneously dissatisfied with others. You might like your co-workers but be less satisfied with work load or other aspects of the job. A person with a high level of job satisfaction holds positive attitudes about the job, while a person who is dissatisfied with his or her job holds negative attitudes about the job. It is generally recognized in the organizational behavior field that job satisfaction is the most important and frequently studied attitude. There are three generally accepted dimensions to job satisfaction.

First, job satisfaction is an emotional response to a job situation.

Second, job satisfaction, is often determined by how well outcomes meet or exceed expectations. For example, if organizations participants feel that they are working much harder than others in the department but are receiving fewer rewards, they will probably have negative attitude to their work, boss, or co-workers.

Third, job satisfaction represents several related attitudes: as promotion, the work itself, etc.

- **Factors Affecting Job Satisfaction**

There are a number of factors influencing job satisfaction. The main influences can be:

1. **The work itself (mentally challenging work.)** It refers to the content of the work itself which is a major source of satisfaction, the extent to which the job provides the individual with interesting tasks, opportunities for learning, and chance to accept responsibility. In others words, employees prefer jobs that give them opportunities to use their skills and abilities and offer a variety of tasks, feedback on how well they are doing. But, too much challenge creates frustration and feeling of failure
2. **Pay :(equitable reward)** the amount of financial remuneration that is received and the degree to which this is viewed as equitable compared with that of other in the organization. Money not only helps people attain their basic needs but is also instrumental in providing upper – level need satisfaction. Employees often see pay as a reflection of how management views their contribution to the organization.
3. **Promotions**: the availability of opportunities for advancement. Promotional opportunities seem to have a varying effect on job satisfaction. This is because promotions take a number of different forms and have a variety of accompanying rewards
4. **Supervision**: it refers the technical competence and the interpersonal skills of one's immediate boss. Supervision is another moderately important source of satisfaction. There are two dimensions of supervisory style that affect job satisfaction. One is employee centeredness, which measured by the degree to which a supervisor takes a personal interest and cares about employee. The other dimensions are participation or influence, as illustrated by managers who allow their people to participate in decisions that affect their own jobs. To large extent, this approach leads to higher job satisfaction
5. **Work group:** The extent to which co-workers are friendly, competent, and supportive. The nature of the work group or team will have an effect on job satisfaction-friendly -

cooperative co-workers or team members are a modest source of job satisfaction to individual employees. The work group, especially “Tight team”, serves as a source of support, comfort, advice, and assistance to the individual members

6. **Working conditions**: The extent to which physical work environment is comfortable and supportive of productivity. Working conditions have a modest effect on job satisfaction. If the working conditions are good, clean, attractive surrounding, the personnel will find it easier to carry out their jobs. If the working conditions are poor (hot, non-attractive surroundings), personnel will find it more difficult to things done.

- **The Effect of Job Satisfaction**

The possible effects of job satisfaction and its relations with the case of productivity, absenteeism, turnover or performance is briefly summarized as follow:

Satisfaction and productivity

Are happy workers productive workers? It may not necessarily be true. At the individual level, the evidence suggests that the reverse is to be more accurate – that is, productivity is likely to lead to satisfaction. One of the most widely debated and a controversial issue in the study of job satisfaction is its relationship to job performance or effectiveness. Three general views of this relationship have been presented:

(1) Job satisfaction causes job performance:

(2) Job performance causes job satisfaction and

(3) The job satisfaction – job performance relationship is moderated by other variables such as rewards.

The assumption that satisfied workers are productive workers has not been well evidenced. The evidence is rather convincing that a satisfied employee is not necessarily a high performer. Managerial attempts to make every one satisfied will not necessarily yield high level of productivity. Likewise, the assumption that a high performing employee is likely to be satisfied is not well supported.

The third view suggests that satisfaction and performance are related only under certain conditions. This view suggests that the rewards one receives as consequence of good performance, and the degree to which the rewards are perceived as reasonable or equitable, affect both the extent to which satisfaction results from performance and the extent to which performance is affected by satisfaction.

Three views of satisfaction-performance relationship

1. Job satisfaction → Causes → "The satisfied productive worker" → Job performance
2. Job performance → causes → satisfied workers → More productive worker
3. Job performance → Rewards → perceived equity → Job satisfaction

Satisfaction and Absenteeism

Research findings show that there is a consistent negative relationship between satisfaction and absenteeism. While dissatisfied employees are more likely to miss work, other factors have impact on the relationship and reduce the correlation coefficient

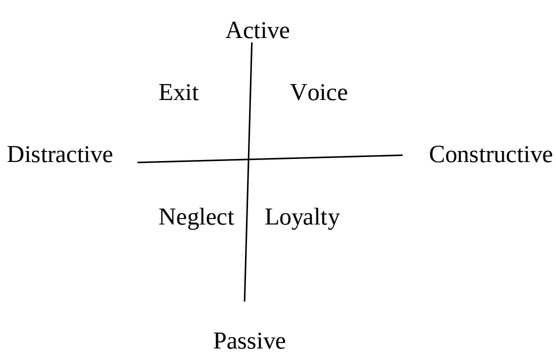
Satisfaction and Turnover

Satisfaction also is negatively related to turnover, but the correlation is stronger than what we found for absenteeism while other factors like labor – market conditions, expectations about alternative job opportunities, and length of tenure with the organizations are important constraints on the actual decision to level one's current job

- **Job Dissatisfaction and Work Behavior**

Employee dissatisfaction can be expressed in a number of ways. For example, rather than quit, employees can complain, be insubordinate, steal organizational property, etc. For our purpose, we will see four responses that differ from one another along two dimensions: constructive / destructive and active / passive

Response to job satisfaction



Exit: Behavior directed toward leaving the organization, including looking for new position as well as resigning.

Voice: Refers to any attempt to change rather than escape from the dissatisfying situation. Voice is often researched purely as a positive or constructive response, such as directly trying to solve the problem with management, etc. However, voice can also be more confrontational, such as by filing formal grievances.

Loyalty: loyalists are employees who respond to dissatisfaction by patiently waiting – some say "suffering in silence." i.e. waiting for the problem to work itself out or get resolved by others.

Neglect: Passively allowing conditions to worsen, including chronic absences or lateness, reduced effort, and increased error rate.

Exit and neglect behaviors encompass our performance variables – productivity, absenteeism, and turnover. But this model expands employee response to include voice and neglect constructive behaviors that allow individuals to tolerate unpleasant situations or to revive satisfactory working conditions.

These four ways responses to job dissatisfaction are termed as **EVLN Model** which is an acronym standing for **exit, voice, loyalty and neglect**.

2.4 Basic Motivation Concepts

Employee performance is influenced by a number of factors such as capacity to perform, the opportunity to perform and willingness to perform. The willingness to perform related to the degree to which an individual both desires and is willing to exert effort toward attaining job performance. In other words, motivation determines one's job performance. Motivation is the act of stimulating someone or oneself to take a desired course of action; it is the act of stimulating or furnishing with an incentive or inducement to action. Manager's job is not to manipulate people rather to motivate them. To motivate employee needs to recognize what motivates them.

The primary task of managers is to get people to contribute activities that help to achieve the missions and goals of an organization. To guide people`s activities in desired direction requires knowing what leads people to do things i.e. what motivates them.

Importance of Motivation

- To increase work efficiency
- To combine ability with willingness
- To reduce the rate of labor turnover
- To develop the leadership quality
- **Theories of Motivation**

I. **Maslow's Hierarchy of Needs:** the best-known theory of motivation is **Abraham Maslow's hierarchy of needs.** Maslow hypothesized that within every human being, there exists a hierarchy of five needs:

1. Physiological. Includes hunger, thirst, shelter, sex, and other bodily needs.

2. Safety. Security and protection from physical and emotional harm.

3. Social. Affection, belongingness, acceptance, and friendship.

4. Esteem. Internal factors such as self-respect, autonomy, and achievement, and external factors such as status, recognition, and attention.

5. Self-actualization. Drive to become what we are capable of becoming; includes growth, achieving our potential, and self-fulfillment. Although no need is ever fully gratified, a substantially satisfied need no longer motivates. Thus as each becomes substantially satisfied, the next one becomes dominant. So if you want to motivate someone, according to Maslow, you need to understand what level of the hierarchy that person is currently on and focus on satisfying needs at or above that level, moving up the steps in.

Implications of Maslow's Hierarchy of Needs Theory

This model helps the managers to understand and deal with issues of employee motivation at the workplace. This model can be applied to motivate people at all levels in the organization. Managers who understand the need patterns of their staff can help the employees to engage in the kinds of work activities and provide the types of work environment that will satisfy their needs at work. For instance, the employees love and belonging needs can be fully satisfied by organizing yearly dinner and dance program, office week end parties, creating recreation clubs or social clubs etc. Fortunately, the workplace has the potential to offer need gratification for several different types of needs, and mangers can motivate employees by giving appropriate organizational support which will gratify individual's needs. Thus, despite its drawbacks, Maslow's theory offers managers a good technique on understanding the motives or needs of individuals and how to motivate organizational members.

II. Herzberg's Two-Factor Theory of Motivation

Herzberg's Two-Factor Theory is also called motivation-hygiene theory. A theory that relates intrinsic factors to job satisfaction and associates extrinsic factors with dissatisfaction.

Hygiene factors Factors—such as company policy and administration, supervision, and salary—that, when adequate in a job, placate workers. Herzberg argued that improvement in the hygiene factors would only minimize dissatisfaction but not increase satisfaction and motivation **Motivating Factors** The presence of motivating factors always ensures job satisfaction and happiness among the employees. They are: achievement, recognition, responsibility, advancement, growth and the work itself. These motivating factors are relating to the work content factors.

Implications for Managers

In Herzberg's framework, these managerial reactions have focused primarily on the hygiene factors surrounding the job, which has resulted in bringing individual to the theoretical "zero point" of motivation. The two-factor theory would predict that improvements in motivation would only appear when managerial action focused not only the factors surrounding the job but on the inherent in most assembly line jobs and developing jobs that can provide increased levels of challenge and opportunities for a sense of achievement, advancement, growth and personal development.

III.ERG Theory

Clayton Alderfer's ERG theory is also based on needs but differs from Maslow's theory in three basic respects. First, the theory collapses Maslow's five need categories into three:

- ✓ **Existence needs**—desire for physiological and material well-being;
- ✓ **Relatedness needs**—desire for satisfying interpersonal relationships; and
- ✓ **Growth needs**—desire for continued personal growth and development

Existence Needs: These needs are various forms of physiological needs, such as hunger, thirst and shelter. In organizational settings, the need for pay, benefits, and physical working conditions are included in this category. This category is comparable to Maslow's physiological and certain safety needs.

Relatedness Needs: These needs include interpersonal relationships with others in the workplace. This type of needs in individuals depends on the process of sharing and mutuality of feelings between others to attain satisfaction. This category is similar to Maslow's safety, social and certain ego-esteem needs.

Growth Needs: These needs involve a person's efforts toward personal growth on the job. Satisfaction of growth needs results from an individual engaging in tasks that not only require the person's full use of his or her capabilities, but also may require the development of new capabilities. Maslow's self-actualization and certain of his ego esteem needs are comparable to those growth needs.

Implications of ERG Theory:

Alderfer has proposed two sets of views on individual's aspirations and fulfillment. One is satisfaction-progression and other frustration-regression. Satisfaction progression is similar to Maslow's model in which once an individual's basic needs are satisfied, he/she will progress to the next level to satisfy the succeeding higher level to have them satisfied. Alderfer proposed yet another view of individual's aspirations and fulfillment. If people eventually become frustrated in trying to satisfy their needs at one level, their next lower level needs will re-emerge and they will regress to the lower level to satisfy more basic needs. This is called as **frustration regression.** For manages, ERG theory provides a more workable approach to motivation in organization. Because of the frustration regression approach component, it provides the manager with the opportunity of directing employee behavior in a constructive manner even though higher order needs are temporarily frustrated. In summary, ERG theory argues that satisfied lower-order needs lead to the desire to satisfy higher-order needs; but multiple needs can be operating as motivators at the same time and frustration in attempting to satisfy a higher-level need can result in regression to a lower level need.

IV Equity Theory: The Importance of Being Fair

Often, the issue is not the actual amount of pay received, but rather, pay fairness, or equity. Organizational scientists have been actively interested in the difficult task of explaining exactly what constitutes fairness on the job, and how people respond when they believe they have been unfairly treated. The major concept addressing these issues is known as ***equity theory***.

Equity theory proposes that people are motivated to maintain fair, or equitable, relationships between themselves and others, and to avoid those relationships that are unfair, or inequitable. To make judgments of equity, people compare themselves to others by focusing on two variables: outcomes—what we get out of our jobs (e.g., pay, fringe benefits, prestige, etc.)—and inputs—the contributions made (e.g., time worked, effort exerted, units produced).

Chapter 3: The Group Behavior

3.1 Foundations of Group Behavior and understanding work Teams

3.1.1 The Concept of Group Behavior

A group is a collection of two or more individuals, interacting and interdependent, who have come together to achieve a particular common objective. According to **D.H.Smith**, "A group is the largest set of two or more individuals who are jointly characterized by a network of relevant communication, a shared sense of collective identity and one or more shared disposition with associated normative strength.

That is why you can find various group terminologies prevailing in almost most organization. It is common to find committee, task force, and teams or in academic institutions like universities: Department Council, Academic Commissions, Senate and the like. All these lists attest the necessity of group efforts to accomplish organizational objectives. The above definition stresses the following points.

Interaction

Size

Shared goal interest

Collective Identity

- **Work Groups: Basic Consideration**

Most available researches indicate that individual behavior is highly influenced by co-workers in a work group. Interaction affects performance outcomes.

There are several definitions available on the work group but let start with describing it. A group is conceived in terms of perceptions; that is individuals see themselves as a group, for a group to exits. In structural terms – a group could be defined as an organized system of two or more individuals who are interrelated so that the system performs some function; group has a standard set of role relationships among its members, and a set of norms that regulate the functions of the group and each of its members.

Group can also be defined as a motivational term as "Collection of individuals where existence as a collection is rewarding to the individuals." Besides, groups can be viewed with regard to interpersonal interaction: the degree to which members communicate and interact with each other among themselves overtime.

In brief, group could be defined as a collection of individuals who share a common set of norms, who generally have differentiated roles among themselves, and who interact with one another toward the joint pursuit of common goals. From the above explanation you could notice that groups can be defined in terms of perception, motivation, organizational interdependencies, and interactions.

- **Types of Groups**

Various methods are used to classify the types of groups that exist in our organizations. In organizations, the predominant operating groups are the functional groups, task or project groups and interest groups. In addition, groups are also classified as formal and informal groups.

I. Formal groups:

Formal groups are work units that are prescribed by the organization. Formal groups are collections of employees who are made to work together by the organization to get the job done smoothly and efficiently. For example, if five members are put together in a department to attend to customer complaints they would be a formal group. The formal groups are those whose primary purpose is facilitating, through member interactions, the attainment of the goals of the organization **Task groups/project groups, command groups and committees come under formal groups.**

Command group – is a relatively permanent, formal group with functional reporting relationships and usually included in the organization chart. In a business organizations, most employees work in a command groups, as typically specified on an official organizational chart. The size, shape and organization of a company's command groups can vary considerably. The basic functional department in organizations could be an example of command groups. An Example of formal group in the organization could be section, department, committees or special project task force. **Taskforce** – is a relatively temporary, formal group established to do specific task. A task force is created usually to accomplish specified goals for specific period of time. Once the objective is attained taskforce cease to exist. : When a number of employees are formally brought together for the purpose of accomplishing a specific task – for a short-term or long term period – such a collection of individuals is called a task or project group.

Affinity group- is collections of employees from the same level in the organization who meet on a regular basis to share information, capture emerging opportunities, and solve problems. This groups share roles, responsibilities, duties and interests. Besides, it meets regularly, and members have assigned role such as recorder, reporter, and facilitator and meeting organizer.

II. Informal Groups

These groups evolve naturally out of individual and collective self-interest among the members of an organization and are not the result of deliberate organizational design.Informal groups are groups that emerge or randomly get formed due to the formal group members' interaction with each other, and thereby develop common interest. For example, members who are showing interest in cricket will join to play volley ball or football enjoy together. Informal groups provide a very important service by satisfying their members' social needs. Because of interactions that result from the close proximity of task interactions, group members play games together, spending their tea breaks together etc. Friendship groups, Interest groups and Reference groups come under informal groups.

Interest and Friendship Groups: The group members form relationships based on some common characteristics such as age, political belief, or interests. Generally, it can be considered as informal group. Employees who joined together to have their fringe benefits continued to have its implementation, to support a peer who has been fired, or to seek more festival holidays etc. they tend to unite together to further their common interest. Groups often develop because the individual members have one or more common characteristics. This is called **friendship groups**. For example, recreation clubs, social groups etc. Management usually doesn't have any control over these informal groups.

- **Reasons for Joining Groups**

The most popular reasons for joining a group are related to our needs for security, identity, affiliation, power and engaging in common tasks.

Protection of common and individual Interest: By joining a group, members can reduce the insecurity of being alone. The membership will make them feel stronger, gaining resistant to threats, having fewer self-doubts etc. New employees are particularly vulnerable to a sense of isolation and turn to the group for guidance and support. Employees develop a sense of security at personal as well as professional front by joining groups.

Status: Inclusion in a group that is viewed as important by others provides recognition and status for its members. Being a member of Rotary Club, the members feel pride and gain status and recognition.

Self-Esteem: Groups can provide people with feelings of self-worth. That is, in addition to conveying status to those outside the group, membership can also give increased feelings of worth to the group members themselves. The self-esteem is bolstered when members are accepted by a highly valued group. Being assigned to a task force whose purpose is to review and make recommendations for the location of the company's new corporate headquarters can fulfill one's intrinsic needs for competence and growth.

Social Needs: Groups can fulfill social needs. People enjoy the regular interaction that comes with group membership. For many people, these on-the-job interactions at work are the primary source for fulfilling their needs for affiliation. Basic theories of personality and motivation emphasize that most individuals have relatively strong social needs. They need to interact with other people and develop meaningful relationships. Since, people are clearly social creatures groups provide structured environments in which individuals can pursue friendships. Of course, for some individuals social needs are just like an end in their life where as for some it is like a means.

Power: For individuals who desire to influence others, groups can offer power without a formal position of authority in the organization. As a group leader, he or she may be able to make requests of group members and obtain compliance without any of the responsibilities that traditionally go either formal managerial position.

Economic – Self-interest – people often associate with groups to pursue their own economic self-interest. E.g. labor union and collective bargaining case.

Physical proximity- many groups formed simply because people are located in close physical proximity to one another

Goal Achievement: There are times when it takes more than one person to accomplish a particular task- there is a need to pool talents, knowledge in order to complete a job. In such instances, management will rely on the use of a formal group.

- **Stages in Group Development**

Groups usually don't just emerge. Besides, it does not look all the same all the time. This implies there are some processes involved in the group development. Although, there could be different explanation concerning the stages of group development, group formation involves some process. Research outcomes indicate that there is no standardized pattern of group development.

i) Forming: At this stage, group members try to comprehend where they stand in the group and how they are being perceived by others in the group. The members are very cautious in their interactions with each other and the relationships among the group members are very superficial. Members' seldom express their feelings in the group and the individual members who are trying to understand who they are in the group have concerns about how they will fit in the group as permanent group members. This is characterized by much uncertainty about group's purpose, structure and leadership. Members are 'testing the waters' to determine what types of behavior are acceptable. This stage is complete when members have begun to think of themselves as part of a group.

ii) Storming: At this stage, disagreement tends to get expressed among the group members, and feelings of anxiety and resentment are also expressed. Some power struggle may ensure at this stage to determine who should assume the informal leadership role in the group. This storming stage is also known as the sub-grouping and confrontation. This group is characterized by intragroup conflict. Members accept the existence of the group, but there is resistance to the control what the group imposes on individuality. There is sometimes conflict over who will control the group. When this stage is complete, there will be a relatively clear hierarchy of leadership within the group.

iii) Norming: This stage is characterized by close relationships and cohesiveness. The group sets norms, tries to attain some degree of cohesiveness, understands the goals of the group, starts making good decision, expresses feelings openly and makes attempts to resolve problems and attain group effectiveness. At this stage, members' roles get defined, and task and maintenance of roles are assumed by group members. Group members' also begin to express satisfaction and confidence about being members of the group.

iv) Performing: This stage is characterized by collaboration and integration. The group members evaluate their performance so that the members develop and grow. The group relationships and structures are set and accepted. Group energy has moved from getting to know and understand each other, to performing the task at hand. Feelings are expressed at this stage without fear, leadership roles shared among the members, and the group members' activities are highly co-coordinated. The task and maintenance roles are played very effectively. The task performance levels are high and member satisfaction, pride and commitment to the group also high. Both performance and members' satisfaction are sustained indefinitely. However, for temporary committees, teams, taskforces and similar groups there is stage of adjourning.

v) Adjourning: This stage is characterized by concern with wrapping up activities rather than task performance. The group prepares for its disbandment. High task performance is no longer the group's top priority. Instead, attention is directed towards finalizing activities. As the group approaches the terminal phase, members break off their bonds of affection and stop interaction with each other. Responses of group members vary in this state. Some feel pride in what the group has accomplished. Others may be negative and critical of the way the organization has treated the group and others may be sad over the loss of friendship gained during the life of the work groups. Hence, organizations should have to notice the different stages involved in the group development to devise strategy (identify suitable approaches in management), to enhance group effectiveness and cohesiveness what is literally known as synergy. Yet, managers have to notice the different behaviors exhibited by group members and one should not think that groups always remain at performing stage.

- **Workgroup Structure**

Work group structure can be characterized in many different ways. The characteristics that are useful in describing and understanding what makes work group different from another are:

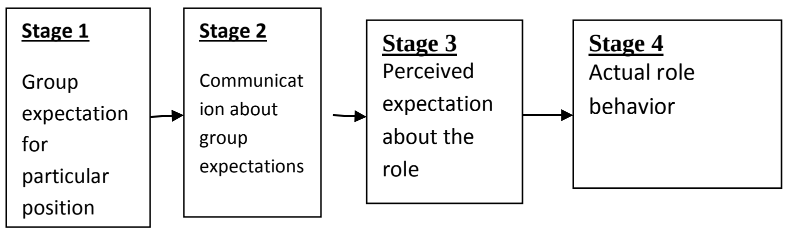
I. Work roles -In order to accomplish its goals and maintain its norms, a group must differentiate the work activities of its members. More specifically, a work role is an expected behavior pattern assigned or attributed to a particular position in the organization. It defines individual's responsibilities on behalf of the group. Work roles can be divided into the following:

- **Task-oriented roles-** These roles focus on task – related activities aimed at achieving group performance goals.

- **Relation –oriented roles** – These roles emphasize the further development of the group, including building group cohesiveness and consensus, preserving group harmony, looking after group member and so forth.

- **Self – oriented roles**- These roles emphasize the specific needs and goals of individual members, often at the expense of the group.

Fig 3.1 Diagrammatical presentation of a group's simplified model of a role episode



II. **Work group Size**

Comparison of views indicated in several literature attests that, there are simply no right number of people for most group activities. The effects of work group size on group interaction pattern, job attitudes, absenteeism and turnover, and productivity could be briefing indicated as follow.

A series of classic studies indicates that harmony is crucial in smaller groups and that people in them have more time to develop their thoughts and opinions. On the other hand, individuals in a large group must be more directed because of the increased competition for attention.

Increase in workgroup size is fairly consistently found to be inversely related to satisfaction, although the relationship is not overly strong. That is people working in smaller work units or departments report higher levels of satisfaction than those in larger units. On the other hand, clear relationship has been found between group size and production. However, when you look at productivity and group size, it is important to recognize the existence of a unique factor called social lofting. **Social lofting** is a tendency for individual group members to reduce their effort on group task. Besides, groupthink is also the influencing factor of group effectiveness.

III. Work Group Norms

A work group norm is shared by group members and that regulates members' behavior within an organization. In an organization there may be a norm against producing too much or too little, against getting too close to the supervisors, against being late for work and so forth. Work group norms may be characterized by at least five factors.

Norms summarize and simplify group influence processes- They denote the processes by which groups regulate and regularize their interactions, processes and pattern of member's behavior.

Norms apply only to behavior, not to private thoughts and feelings. The fact that individuals belong to certain group and adhere to their norms doesn't mean that one has to abandon his values, feelings and thought to group's conformation.

Norms are generally developed anytime for behaviors that are viewed as important by most group members. For instance, someone might be in different group which demands different norms to follow. One can be a teacher or student where both need different norms to adhere to be accepted by the group.

Norms usually develop gradually, but the process can be quickened if members wish to do so. Imagine the way you behave as student over the time you stay in the collage/ university. Or, remarkably one can notice the way the fresh employee acts and what could happen through laps of time in certain organization.

All norms do not apply to all members. Some norms, for example apply only to young initiates, whereas others are based on seniority, sex, race or economic class.

In general, work group norms serve four functions in organizational settings

- **Norms facilitate group survival** – it directs the way the groups behave or perform.
- **Norms simplify expected behavior** – norms tell group members what is acceptable and unacceptable.
- **Norms help to avoid embarrassing situations** - norms tell group members when behavior or topic is damaging to other members.
- **Norms help to identify the group and express its central values to others**- norms concerning clothes, language, mannerisms, and so forth help tell others who belong to the group and in some cases, what the group stands for. Imagine the way one dresses in the military and one works in banks are different.

IV. Status Systems.

Status systems serve to differentiate individuals on the basis of some criterion or set of criteria. There are five general bases on which status differentiations are made: birth, personal characteristics, achievement, possessions, and formal authority.

In general status differentiation in organization serves four purposes. These are:

Motivation-we describe status to persons as rewards or incentives for performance and achievement. If high achievement is recognized as positive behavior by an organization, individuals are more willing to exert effort.

Identification – status and status symbols provides useful cues to acceptable behavior in new situations. If you happen to be in military organization, badges of rank quickly tell members who has authority and who is to be obeyed similarly, in business, titles serve the same purpose.

Signification – People are often ascribed status as a means of signifying respect that is due them. Imagine how you approach CEO or an Ambassador is different, though, both are persons; where the former is representing an organization and the later representing a nation or a country.

Stabilization – Finally, status systems and symbols facilitate stabilization; which otherwise turbulent environment dominates an organization. Thus, status provide a force for continually, authority patterns, role , and interpersonal interactions are all affected and indeed defined by the status systems in effect.

V. Group Cohesiveness.

Cohesion refers to the extent of unity in the group and is reflected in the members' conformity to the norms of the group, feelings of attraction for each other, and wanting to be co-members of the group. The more the members feel attracted to the group, the greater will be the group cohesion. The greater the cohesion, the greater the influence of group members to persuade one another to conform to the group norms. The greater the conformity, the greater the identification of the members with the group, and the greater the group cohesion. Cohesive groups work together to achieve the group goals. They can be considered as valuable assets to the organization if the group's goals coincide with the organization's goals.

The major factors that affect group cohesiveness are:

- **Group homogeneity:** the more homogeneous the group is, the more members share similar characteristics and backgrounds and the greater the cohesiveness will be.
- **Group maturity:** groups tend to become more cohesive simply as a result of the passage of time. Continued interaction over long periods of time helps members develop a closeness born of shared experiences.
- **Group size** – smaller groups have an easier time developing cohesiveness, possibly because of the less complex interpersonal interaction patterns.
- **Frequency of interactions:** groups that have greater opportunities to interact on a regular or frequent basis tend to become more cohesive than groups that meet less frequently or whose members are more isolated. When group members have the opportunity to interact frequently with each other, the probability for closeness to develop will increase. Managers can provide opportunities for increased group interaction by calling frequent formal and informal meetings, providing a common meetings place or physically designing the facilities so that group members are within sight of one another.
- **Common consent on Group Goals**: If the group agrees on the purpose and direction of its activities, this will serve to bind the group together and structure interaction patterns towards successful goal accomplishment
- **Competition or external threat:** when groups sense external threat or hostility, they tend to bond together more closely.
- **Success:** If a group has a history of success, it builds an espirit de corps that attracts and unites members. Group success on the previous task often facilitates increased cohesiveness and a sense of "we did it together"
- **Pleasant experiences with the group:** When group members are attracted to each other or there is a full trust and cooperation, interaction may become a pleasant experience resulting in high level of cohesiveness in the group
- **Gender of Members:** It is reported that women tend to have greater cohesion than men. A possible reason is that women are more likely to be feeling types than thinking types.

- **Workgroup Effectiveness**

Literally it is usually believed and stated as "two heads are better than one". This statement could hold true if the effectiveness and synergy effect prevails in a group. If you are given group assignment by your instructor, do all the members equally participate? What is the contribution of each member? There are tendencies for some individuals to contribute less in a group. These are usually referred to as **process loss.** Then, what is workgroup effectiveness? As a matter of fact effectiveness is not easy to define for there are various models to describe it. According to (Steers, 1991: 239) effectiveness is defined interns of three criteria:

a) Productive output– the productive output of the group must meet or exceed the quantitative and qualitative standards defined by the organization.

b) Personal need satisfaction – groups are effective if membership facilitates employee need satisfaction.

c) Capacity for future cooperation – effective groups employ social processes that maintain or enhance the capacity of their members to work together on subsequent tasks. Destructive social processes are avoided so that members can develop long term cohesiveness and effectiveness.

Coming to the notion of group effectives, what factors determines group effectiveness? According to the literature groups' effectiveness is largely determined by three factors:

i. Group effort – the amount of group effort group members exert toward task accomplishment

ii. Group knowledge and skill – the amount of knowledge and skills possessed by group members that are available for group effort and performance.

iii. Task performance strategies – the extent to which the group's strategies for task performance are appropriate. To sum up group effectiveness is presented as follow:

Group effectiveness = each individual's contributions + synergy – process loss

3.1.2 Understanding Work Teams

Team is a small No. of people with complementary skill who are committed for common purpose for which they hold themselves mutually accountable**.**(According to Robbins, 1998) work team is a group whose individual efforts result in a performance that is greater than the sum of those individual inputs

Most organizational decision, tasks and performance highly demands integrated efforts of each individual as a team or a group. If you take a particular project work, or take football match to be successful, it demands effective team.

- **Teams vs Groups**

A simple comparison between work groups and work teams are stated as follow:

Group: A group that interacts primarily to share information to make decision to help each group member perform within his or her area of responsibility. Work groups have no need or opportunity to engage in collective work that requires joint effort.

Team: A group whose individual effort results in a performance that is greater than the sum of the individual inputs. A team gets a greater degree of individual commitment towards the common shared goal. The efforts of the team members result in more synergy and may achieve a better total performance.

Work groups				**Work teams**
Share information	←	Goal	→	Collective performance
Neutral (sometimes negative)	←	Synergy	→	Positive
Individual	←	Accountability	→	Individual and mutual
Random and varied	←	Skills	→	Complementary

- **Types of Teams**

The following are identified as work teams:

i) Problem-solving Teams: these refer to certain individuals or experts who come together to solve certain problems. The primary goals of these teams are improving quality, efficiency and the work environment. The members share ideas or offer suggestions about how work process and methods can be improved. Quality circles are one of the problem solving teams where the work group members meet regularly to discuss and solve problems. The team members use tools and techniques to examine these problems and to present to management solutions and the costs and benefits of solving a problem.

ii) Cross-functional Teams: This refers to a type of teams where employees from about the same hierarchical level, but from different work areas, who come together to accomplish a task. Examples of Cross functional include task force to resolve emergency cases, committee composed of members from across departmental lines etc.

iii. Management teams – consists of managers from various areas; they coordinate work teams.

iv. Product development teams – are combinations of work teams and problem solving teams that create new designs for products or services that will satisfy customer needs.

v) Virtual Teams: Teams that use computer technology to tie together physically dispersed member in order to achieve a common goals. They allow people to collaborate on-line using communication links such as wide area networks, video conferencing or e-mail. The three primary factors that differentiate virtual teams from face to face teams are:

i) The absence of Para verbal and nonverbal cues,

ii) Limited social context and

iii) The ability to overcome time and space constraints. In virtual teams the members will never have an opportunity to have an access of Para language and non-verbal communication. And also suffer social support and less direct interaction among members.

➢ Team Building

It is defined as planned interventions facilitated by a third-party consultant that developed problem solving procedures and skills, increase role clarity, solve major problems and improve effectiveness of work groups. Experts have clustered team-building activities into four general types such as interpersonal process, goal setting, defining roles and problem solving.

i) Interpersonal Process: The resolution of conflicts between and among the team members by creating a system of open communication by providing training on listening skills, negotiation skills etc.

ii) Goal Setting: Focusing on shared understanding of the mission and goals of the team. During this activity the team members clarify general goals and define specific tasks and sub goal to be accomplished within a specific time with set measurement criteria and reporting mechanisms.

iii) Defining Roles: The members must define the roles without any ambiguity and ensure that instructions are very clear. The responsibilities, norms and expressions and requirements of each role are clarified.

iv) Problem Solving: The member must identify the problem and must follow steps such as gathering and analyzing data, finding causes, understanding solutions, choosing solutions, planning an action and implementing and evaluating the action.

3.2 Communication

Communication is an important aspect of human behavior. Communication is central to everything that we do. Without communication an organization can't function at all. No managers can be successful without communicating effectively. Communication has been derived from the Latin word "communis" which means common. Communication stands for sharing of ideas in common. According to Keith Davis, "communication is a process of information and understanding from one person to another."

- **Elements of Communication**

The process models of communication contain six main elements such as i) sender, ii) message, iii) receiver, iv) feedback, v) channel, vi) noise or interference. As communication occurs, sender and receiver interact by encoding/sending and decoding/receiving messages. Encoding means putting the message into words or diagram or nonverbal signals so that it can be transmitted. The receiver hears, reads or looks in order to decode or interpret the message.

Sender: Communication begins with sender, the individual who reacts to situations from a unique vantage point, interpreting ideas and filtering experiences through their own perception. Sender conceives his ideas based on the accumulated attitudes, experiences, skills and cultural conditioning.

Message: The message is the idea of feeling transmitted from the sender to the receiver to achieve understanding. It makes a connection between the sender and the receiver and may be made up of signs, words and movement. The tone of voice, inflection, the rate of speech, facial expression, touching and body movement may be misinterpreted by the receiver, or poorly constructed message may lead to misunderstanding. The message the sender meant to send is not always the message received.

Receiver: The receiver decodes or interprets the message to achieve understanding. In doing this, the receiver also acts as an individual from a unique vantage point, interpreting the idea according to a particular personal perception of the message. This perception is also the result of the receiver's unique background of experiences, beliefs and concerns. Interpretation of the same message may vary between people.

Feedback: Feedback is an essential part of successful interpersonal communication. It is the receiver's response to the sender's message, telling the sender how their message is being received and helping the receiver confirm whether their perception of the message is correct. It can be intentional or unintentional. Feedback:

- Provides continuity in the communication
- Indicates effective understanding or misunderstanding of the message
- Stimulates further communication and discussion.

Channel: A communication channel is the means of techniques used to signal or convey a message – for example, a conversation, letter, telephone call, and e-mail or television program. Sometimes these channels are internal to the organization; other channels are outside the organization and are thus external channels. An appropriate channel suits the communication purpose, the need of the sender, the message and the needs of the receiver. Different lines or channels of communication are used inside an organization. Horizontal channels operate between colleagues at the same level within the organization's structures, while vertical channels move communication up and down between different levels in the organization.

Noise: The message received is not necessarily the same as the message sent. Something other than the intended message is received because noise or interference interrupts the intended message. Noise or interference that interrupts the message or communication flow between sender and receiver can lead to misunderstanding or to confused or ambiguous communication.

- **Types of Communication**

There are nine patterns of communication:

Downward communication: It refers to the flow of communication from supervisor to the subordinate. To improve downward communication, managers can present job instructions clearly to subordinates, explain why things need to be done in a particular way so that people who perform the jobs understand better. For example, clear staff regulations, rules, handbooks, procedures manual etc. are the good examples of downward communication.

Upward communication: It refers to the flow is from the subordinate to the superiors. To improve upward communication, screen upward messages so that the more relevant aspects of the information are received by top management, provide the climate in which members can communicate both positive and negative messages, detect biases when they occur, reduce status difference and wherever possible, require quantified data to be submitted rather than provide subjective information for decision making. For example, instituting suggestion scheme, union leader voicing their demands to management, etc.

Lateral/Horizontal Communication: It takes place between or among members who are at the same level in the organization. For example, two supervisors of the same department or different department are discussing work matters with each other. To improve lateral communication, it is desirable to establish openness and trust among members of various department, develop reward systems that facilitate inter-departmental cooperation, learn that what the other departments are doing by getting involved in interdepartmental meetings and, if possible design the organization structure in such a way so that greater opportunities of interdepartmental contact exist.

Diagonal Communication: It refers to the flow of messages between persons who are in position at different levels of the hierarchy and also in different departments. This type of communication takes place under special circumstances.

Formal Communication: The channels of communication established formally by the management are called formal communication. These are used for the transmission of official messages within or outside organization. However it suffers from delay and also chances of distortion.

Informal communication: Communication which takes place on the basis of informal or social relations among people in an organization is known as informal communication. It is otherwise known as grapevine communication. The grapevine has three main characteristics.

i) It is not controlled by management.

ii) It is perceived by most employees as being more believable and reliable than formal communication issued by top management.

iii) It is largely used to serve the self-interests of those people within it and it is one of the quickest means of communication.

Verbal Communication: When the message is conveyed orally, it is called verbal communication. It is most economical in terms of time and money.

Written Communication: Communication that takes place between people in written form is called written communication. For e.g. memos, reports, bulletins etc. It is permanent, tangible and verifiable. But it is time consuming.

Nonverbal/Gestural communication: Communicating nonverbally with body movements, with some gestures is known as nonverbal communication. The types of nonverbal communication can be classified into seven categories:

i). Body movements or kinesics

ii). Physical characteristics

iii). Changing behavior

iv).Vocal qualities or paralanguage

v). Use of space or proximity

vi). Artifacts

vii) Environment

- **Functions of Communication**

There are four major functions of communication. They are: Emotive, Motivation, Information and Control.

Emotive: Through communication, employees can express their frustrations and satisfactions to each other and to management. In addition, communication provides a mechanism for individuals to compare attitude and resolve ambiguous about their jobs, their roles and areas of conflict between groups and individuals. If an employee is dissatisfied with his pay, he will often communicate with others informally, to determine whether the feelings are justified or not. **Motivation:** A second major function of communication is to motivate, direct, control and evaluate the performance of organizational members. Leadership is an influence process by which supervisors attempt to control the behavior and performance of subordinates. Communication is the major vehicle of such control available to leaders. Hence, leadership activities, such as issuing orders, rewarding behavior and performance, reviewing and evaluating performance, making job and task assignments, and training and developing subordinates all involve communication.

Information: Communication serves a vital information function for decision-making. It is based on technological orientation and facilitates information processing activities and ways to improve the accuracy with which communication channels carry information going into individual, group and organizational decisions.

Control: Organizations are attempting to control the activities of individuals through the design and use of formal communication channels. Most types of programs or standard operating procedures have a large communication component to them. Hence, formal communication channels represent a major structural means of control within organizations.

- **Barriers to Effective Communication**

Semantic Problems: The use of inappropriate language, symbols, and words may affect the understanding capacity of the receiver. The sender must ensure that the proper words and language are chosen to communicate the intended message so that there is no room for misinterpretation or confusion as the receiver decodes the message exactly as it was encoded. Many words commonly used in communication carry quite different meanings for different people. Two general kinds' of semantic problems present barriers to communication.

i) Some words and phrases are so general or abstract that they invite varying interpretation.

ii) Semantic problem arise when different groups develop their own technical language.

Status Effects: Status effect also hinder communication in as much as people occupying higher positions in the organization have a tendency to tell a lot to the subordinates but not to listen. When people do not listen, they do not understand each other and thus effective communication is blocked. Thus, the superior-subordinate status comes in the way of effective communication taking place.

Physical Distraction: When people communicate with each other, noise may also enter in the form of various types of distraction. Distractions may occur because of situational factors such as constant telephone interruptions, people walking in and out of the room, or loud noises in the background. Apart from these physical noises, certain peculiar mannerism of the speaker may also be distracting to the listener and hide effective listening.

Information Overload: This refers to too much volume of information which is beyond the level of a person to comprehend. Communication may be ineffective when too much information is transmitted at one time or when complex information is presented within a short time frame. The problem is compounded if the individual also has limited attention span and poor memory retention. Managers are literally drowned in communication and unable to attend to them fully.

This includes variety of information received from different mode such as e-mail, memos, official letters, reports, instructions, circular, telephone, meetings etc. is required to attend.

Time Pressures: Time is always short, and this fact often leads to distortion in communication. A major temptation when pressed for time is to short-circuit formal communication channels. Because of time pressures, many messages are hastily and inadequately communicated by managers, leaving the listener with much ambiguity and confusion as to what has been said and what action should be taken. Since managers have to deal with a large number of people on an ongoing basis within limited periods of time, giving incomplete information and verbally transmitted short, telegraphic message seems inevitable.

Cultural Differences: Words, colors and symbols have different meanings in different cultures and sometimes even between sub-cultures within a national boundary.

Trust Level: When there is lack of sufficient trust between the communicating parties, selective listening takes place, resulting in ineffective communication. Complete information is seldom exchanged under such circumstances and the withholding of information by one or both parties will further aggravate the trust issue and impersonal problems. Evaluating tendencies develop selective listening increases further and messages get distorted.

Selective Perception: People have a tendency to listen to only part of a message and “block out” other information for a variety of reasons. One of the most important of aspect is a need to avoid or reduce cognitive dissonance. Thus, people have a tendency to ignore new information that conflicts with or denies already established beliefs, values, and expectations. Selective perception occurs when the receiver values the context of the communication including the role, identity, values, mood and motives of the sender (Perceptual Distortion).

Self-Concept: An individual’s motives and personality strongly influence the decoding or symbolic interpretation process. An employee who has a highly felt need for advancement in an organization and whose personality tend be to quite optimistic might read a smile and casual comment from a supervisor as an indication that he is being groomed for promotion. A person with low need for advancement and a pessimistic disposition may read nothing more than a casual comment unrelated to anything else into the supervisor’s comment.

Absence of Two-way Communication: If communication is only one way – from top to bottom or from superior to subordinate – without any feedback, would hinder communication from taking place in an effective manner. For instance, the receiver might decode the message in a way that was not intended. Neither the receiver nor the sender will then realize that the message was misinterpreted until it becomes too late to rectify the situations. For example, an examination question is one way communication which could easily get misinterpreted by some students since attempts by students to seek clarifications in the examination hall is usually discouraged.

- **Overcoming Barriers to Communication**

There are number of ways managers can minimize a number of communication barriers. In general, communication can be improved in two ways. First, the manger must sharpen his or her skills in manipulating symbols, that is, process of encoding. This implies that the sender must take as much care as possible in choosing symbols and establishing the context within which the message is transmitted. There are number of techniques that are commonly employed by managers to accomplish these ends.

Active listening: It implies that the receiver of information engages in the following patterns of behavior. a) stop talking since it is impossible to talk and listen at the same time, b) remove the distracting elements as much as possible c) is patient and lets the other person say whatever needs to be said, d) appreciate the emotion behind the speaker's words and is empathic, e) is attentive, f) creates a positive listening environment f) uses feedback mechanisms to check understanding g) withholds judgment h) asks questions, i) reacts to the message and not he person. Active listening takes a lot of energy and be perfected by conscious and constant practice.

Follow up and Feedback: The process of feedback makes communication a two-way process. In face-to-face situations, the sender should try to become sensitive to facial expressions and other signs that indicate how the message is being received. It is often important to solicit questions of clarification from the receiver. When more formal communication is involved, the writer may specify specific forms and times for responding to insure feedback.

Parallel Channels and Repetition: A major principle of communication technology is to provide parallel channels of communication that reinforce each other. Thus, a verbal request may be followed up with a memo. In this way, the sender has ensured getting the attention of the receivers and also ensured that the sender will have a record to refer to in case lie or she forgets in its order.

Timing: A manager may ignore a memo or request simply because other problems are pressing in at the same time. Two kinds of actions can be taken by management to ensure the accurate reception of communication through timing. i) they may want to standardize the timing of specific messages, ii) many organizations establish "retreats" or time away from normal job pressures to transmit material, ideas and instructions to employees. This action insures the undivided attention of the receivers.

Be patient and paying adequate attention: When choosing a style of language, the sender must give a due consideration to the listener's intention, and his background. Effective use of language consists of tailoring one's message for the context of the receivers in order to maximize overall between the intended and received messages.

Informal Communication and Informal Centers: Running parallel to formal communication channel in an organization is an informal network commonly called grapevines. They tend to be a universal fact of life in all organizations. They have been used to serve not only informational functions but also motivational functions as well. A number of employees needs are served by the powerful reinforce. Effective communicators often combine formal and informal (grapevine) channels of communication. Thus a manager may reinforce information received through formal with an off-the record talk with key subordinates. In reverse directing, he or she might reinforce and clarify a formal written with an informal chat session among employees.

Exception principle and need to know: In order to deal effectively with the information overload problem, many organizations try to establish certain principles for actually limiting the extent of communications. Many firms implement an "exception principle" in communication channels. This principle orders that only communications regarding exceptional derivations, from orders, plans, and policies be communicated upward on a routine basis. Hence, upper levels of management will receive only that information which truly demands their attention. A closely related principle involves downward communication. Here, managers should be selective and transmit information on a "need to know" basis. In this way, lower level personnel receive only communication that is immediately critical to carrying out their tasks. The success of these two principles depends on the type of organization within which jobs are carried out. They will be most effective in highly structured organizations where tasks are relatively simple and routine. In less formal organization, in which work is rather complex and not highly structured, communication needs to be as open and unrestricted as possible.

Using feedback mechanisms: Since feedback involved both receiver and sender, it is important to understand the conditions under which feedback session will be more effective both from the sender's and receiver's perspective. For feedback to be most effective, the person giving the feedback must:

a) give specific and not general or vague feedback

b) give feedback immediately or soon after the event has taken place rather than long after the event has occurred

c) give feedback on aspects that the receiver can rectify rather than on aspects over which the individual has no control

d) Be descriptive than evaluative

e) Give feedback on a few critical issues where improvement is most urgently expected rather than on a wide range of problem areas

f) Examine your own motivation in giving the feedback

g) Be sure that the receiver is ready to receive feedback

Minimize Physical distraction: Taking due care in minimizing the external noise, interruptions, awkward mannerism, unusual and unwanted incidences etc facilitate to heighten the attention levels of the members in attempting to satisfy a higher-level need can result in regression to a lower-level need.

3.3 Leadership, Power and Politics

This last chapter is concerned with addressing the major organizational behavior issues related to how to ensure influence, maintain dominance and create a good impression among work units to fulfill organizational and individual goal. The unit deals with the concepts of leadership, power, authority and organizational conflict. The presentation of these facts will be made separately discussing each topics and related issues to attain the objectives specified in this chapter. Hence, you are expected to relate the facts with the real life context and expected to make further reading on the topics.

3.3.1. Leadership

Leadership is important and necessary for achieving individual, group, and organization performance. Managers, whether they are chief executive officers, or first line supervisors, influence attitudes and expectation that encourage or discourage performance, secure or alienate commitment, reward or penalize achievement.

Leadership may be defined as the process of influencing others to facilitate the attainment of organizationally relevant goals. Leadership is getting people to do their work willingly even when they do not really want to do it at all. Most of the time they do not want to work at the necessary pace and leader’s job is to convince them that they should do it any way. Leadership is the ability of a manager to influence subordinates to work with confidence and enthusiasm.

Leading includes many activities involved in the manner in which a manager influences actions of subordinates such as:

- The issuing of orders that are clear, complete, and practicable
- The motivation of workers to try to meet the expectations of the manager.
- Maintenance of discipline and rewarding those who perform properly.

There are three important variables with which every leader must deal:

1. The people who are being led,
2. The task that the people are performing, and
3. The environment in which the people and the task exist. Because these three variables are different in every situation.

- **Styles of Leadership**

A) Autocratic style: Also known as authoritarian leadership, is a leadership style characterized by individual control over all decisions and little input from group members. Autocratic leaders typically make choices based on their own ideas and judgments and rarely accept advice from followers. Autocratic leadership involves absolute, authoritarian control over a group.

Characteristics of Autocratic Leadership

Some of the primary characteristics of autocratic leadership include:

•Little or no input from group members

•Leaders make the decisions

•Group leaders dictate all the work methods and processes

•Group members are rarely trusted with decisions or important tasks

B) Democratic style: It is also known as participative leadership, is a type of leadership style in which members of the group take a more participative role in the decision-making process.

Researchers have found that this learning style is usually one of the most effective and lead to higher productivity, better contributions from group members, and increased group morale.

Characteristics:

Some of the primary characteristics of democratic leadership include:

•Group members are encouraged to share ideas and opinions, even though the leader retains the final say over decisions.

•Members of the group feel more engaged in the process.

•Creativity is encouraged and rewarded. Because group members are encouraged to share their thoughts, democratic leadership can lead to better ideas and more creative solutions to problems.

C) Laissez-faire style: This style is also known as delegative leadership, is a type of leadership style in which leaders are hands-off and allow group members to make the decisions. Researchers have found that this is generally the leadership style that leads to the lowest productivity among group members.

Characteristics:

•Very little guidance from leaders

•Complete freedom for followers to make decisions

•Leaders provide the tools and resources needed

•Group members are expected to solve problems on their own

Laissez-faire leadership can be effective in situations where group members are highly skilled, motivated and capable of working on their own.

- **Theories of Leadership**

There are three major approaches to leadership:

a) Trait theories,

b) Behavioral theories,

c) Situational theories.

Trait theories highlight that there exists a finite set of individual traits or characteristics that distinguish successful from unsuccessful leaders. Behavioral theories highlight that the most important aspect of leadership is not the traits of the leader, but what the leader does in various situations. Successful leaders are distinguished form unsuccessful leaders by their particular style of leadership. Situational theories outlines that the effectiveness of the leader is not only determined by his or her style of behavior, but also by the situation surrounding the leadership environment. Situational factors include the characteristics of the leader and the subordinates, the nature of the task and the structure of the group.

Trait Theory:

Some of the significant characteristics of leaders are categorized as follows:

- Physical Characteristics– age, appearance, height, weight
- Social Background – Education, social status, mobility
- Intelligence – Intelligence, ability, judgment, knowledge, decisiveness, fluency of speech
- Personality – Aggressiveness, alertness, dominance, enthusiasm, extroversion, independence, creativity, personal integrity, self-confidence
- Task-related Characteristics – Achievement drive, drive for responsibility, initiative, persistence, enterprise, task orientation
- Social Characteristics – Administrative ability, attractiveness, cooperativeness, popularity, prestige, sociability, interpersonal skill, tack and diplomacy

The list of important leadership traits is endless and grows with each passing year.

Behavioral Theory:

Unlike trait theories, the behavioral approach focused on leader effectiveness, not the emergence of an individual as a leader. There are two prominent styles of leadership such as **task orientation, and employee orientation.**

Task orientation is the emphasis that the leader place on getting the job done by such actions as assigning and organizing the work, making decision, and evaluating performance.

Employee orientation is the openness and friendliness exhibited by the leader and his concern for the needs of subordinates.

Situational Theory:

Situational approaches to leadership take the position that there is no "one best way" to lead in all the situations. Effective leadership style will vary from situations to situation, depending on several factors such as the personality predisposition of the leaders, the characteristics of the followers, the nature of task being done and other situational factors.

Favorable Situation: The situation is considered as highly favorable if it possess a high level of positive interpersonal relations between leaders and members, a well-defined task structures and a leaders perceive that they are bestowed with strong perceived positional power. In such type of situation, the leader will have a great deal of control over situations and will simply have to make sure that he gives the necessary instructions to get the task done. There is no need for him to waste time talking to each employee in order to be perceived as friendly. A task-oriented style will be effective in such situation.

Unfavorable Situation: The situation is considered as highly unfavorable if it possesses a low level of interpersonal relationship between leaders and members, a poorly defined task and a relatively a weak perceived power. The leader of a task-force committee which is appointed to solve problems encountered in the work setting is likely to find him in such a situation. In such type of situation, the leader is in highly vulnerable situations and there is no other way to enforce a strict discipline and order to bring the situation in normal than following relationship oriented style.

Moderately Favorable Situation: Here the leader might find herself/himself in a mixed situation. For instance, a manager might have good relationship with her workers, but the task structure and position power of the leader may be low. For example, a bank officer may have a good relationship staff member, but the task structure or the power to control the staff members (either to reward or punish members) is not strong enough. In such situations, the manager will be very successful and get the desirable results if he follows more of relationships oriented style than task oriented style.

- ❖ **Leadership Role**:

Leader behavior is acceptable and satisfying to the extent that subordinates perceive such behavior as a source of satisfaction or instrumental to future satisfaction. There are four roles of leadership:

- **Directive Leadership Behavior**: This deals with planning, organizing, controlling and coordinating of subordinates activities by the leader. It is similar to the traditional dimension of initiating structure in that the leader's emphasis is on letting the subordinates know what is expected of them.

- **Supportive Leadership Behavior**: This concerns giving support consideration to the needs of the subordinates, displaying concern for their well-being and welfare and creating a friendly and pleasant environment.

- **Participative Leadership Behavior:** This deals with sharing of information and an emphasis on consultation with subordinates and use of their ideas and suggestions in reaching group related decision.

- **Achievement-Oriented Leadership Behavior**: This deals with setting challenging goals, expecting subordinates to perform at the highest level, continually seeking improvement in performance. The leader wants good performance, but at the same time displays confidence in the ability of his subordinates to do a good job.

- Dynamics of Situation: The leadership style is determined by the situation in which the leader functions. Two main factors that influence the situational effectiveness of the leader's behavior are: a) the characteristics of the subordinates and b) the characteristics of his work environment, including task, work group and other organizational factors. The theory proposes that leader behavior will be perceived as acceptable to subordinates to the extent that the subordinates see such behavior as either an immediate source of satisfaction or as needed for future satisfaction.

For further studying, so review the different leadership topics.

3.3.2 Power

What is power and why is power required?

Power refers to a capacity that **A** has to influence the behavior of **B**, so that **B** acts in accordance with **A**'s wishes. Power is more of potential or capacity. Probably the most important aspect of power is that it is a function of dependency. The greater B's dependence on A; the greater is A's power in the relationship. Dependence in turn is based on alternatives that B perceives and the importance that B places on the alternative(s) that A controls.

Simply stated power is the potential ability of a person to exercise control over another person or group. Power is distinguished from influence by the element of control; the more the ability to control exists in a relationship, the more the relationship is based on power.

A simple example to illustrate the concept of power is that if you are attending college on funds totally provided by your parents, you probably recognize the power that they hold over you. You are dependent on them for financial support. But once you are out of school, have a job and are making a solid income, your parent's power is reduced significantly. In organizational context how power relates to managers, employers and among different groups all depends on the power base of each member of the organizations and degree of dependence.

- **Power in Organizations.**

Influence is closely related to the concept of power. Power is one of the most significant forces that exist in organizations. What are the bases of power in organization? What is the potential relationship that exists between power, authority and leadership?

Where does power come from?

French and Raven has identified five general bases of power in organizational settings. (Griffin, 2007:372-373) .These are:

- **Legitimate power-** it represents the power a person receives as a result of his or her position in the formal hierarchy of an organization. Essentially this power is the same thing as authority, which is granted by the virtue of one's position in an organization. Managers have legitimate power over their subordinates. The degree to which this power is strictly followed depends on the structure of the organization. For instance, whether the structure is mechanistic or organic structure, it has different orientation of legitimate power exercise.
- **Reward power-** is the extent to which a person controls rewards that are valued by another. The most obvious examples of organizational rewards are: pay, promotions, and work assignments, favorable performance appraisals, preferred work shifts etc. Thus, here people comply with the wishes or directives of another because doing so produces positive benefits, therefore, one who can distribute rewards that other view as valuable will have power over those others.
- **Coercive power-** exists when someone has the ability to punish or physically or psychologically harm another person. For example, some manager threat subordinates in front of their peers and colleagues, by titling their efforts and generally making their work life miserable. One reacts to this power out of the fear of the negative results that might occur if one failed to comply. At individual level, individuals exercise coercive power through reliance upon physical strength, verbal facility or the ability to grant or withhold emotional support from others. Clearly, the more negative the sanctions a person can bring to bear on others, the stronger is his or her coercive power. At the same time, the use of coercive power carries a considerable cost in employee resentment and hostility.

- **Expert power** – a power that emanate from expertise, special skills or knowledge. In other words, it is the extent to which a person controls information that is valuable to someone else. As jobs become more specialized, we become increasingly dependent on experts to achieve goals.
- **Referent power**- Is a power through identification. It exists when one person wants to be like or imitates someone else. Its base is identification with a person who has desirable resources or personal traits. If I admire and identify with you, you can exercise power over me because I want to please you. Referent power develops out of admiration of another and a desire to like that person. In a sense then, it is a lot like charisma. If you admire someone to the points of modeling your behavior and attitudes after him or her, the referent power has got influence on you. This person possesses referent power over you. Referent power explains why celebrities are paid millions of dollars to endorse products in commercials.

❖ **Common Power Tactics in Organizations**

In the previous sections power has been explained to manageable detail. In this subsection the main focus will be on power tactics: what is power tactics? Power tactics is ways in which individuals translate power bases into specific actions. How managerial employees influence others and the conditions under which one tactic is chosen over another will be presented as follows:

- **Reason**: Use of facts and data to make a logical or rational presentation of ideas.
- **Friendliness**: use of flattery, creation of goodwill, acting humble and being friendly prior to making a request.
- **Coalition**: Getting the support of other people in the organization to back up the request.
- **Bargaining:** Use of negotiation through the exchange of benefits or favors.
- **Assertiveness**: Use of direct and forceful approach such as demanding compliance with requests, repeating reminders, ordering individuals to do what is asked, and pointing out that rules require compliance.
- **Higher authority**: Gaining the support of high levels in the organization to back up requests.

- **Sanctions**: Use of organizationally derived rewards and punishments such as preventing or promising a salary increase, threatening to give an unsatisfactory performance evaluation or with holding a promotion.

Steers and Black, (1994:530-531) have also identified the following as power tactics used by manager's. Some of the more commonly used power tactics found in both business and public organization are:

- **Controlling access to information**: most decisions rest on the availability of relevant information, so persons controlling access to information play a major role in decisions made.
- **Controlling access to persons**: Approaching person who has influencing role plays a significant role to support influence.
- **Selective use of objective criteria**: significant power can be exercised by those who can practice selective use of objective criteria that will lead to a decision favorable to them.
- **Coalitions and alliances**- one unit can effectively increases its power by forming an alliance with other groups that share similar interest. And controlling the agendas of meeting, using outside experts are also practiced frequently.

❖ **Power Dependencies**

The most important aspect of power is that it is a function of dependence. The greater B's dependency on A, the greater the power A has over B. when you process anything that others require but that you alone control, you make them dependent upon you and, therefore, you gain power over them. If something is plentiful, possession of it will not increase your power. If everyone is intelligent, intelligence gives no special advantage.

What created Dependency?

Dependency is increased when the resource you control is important, scarce, and non-substitutable. To create dependency, therefore, the things you control must be perceived as being important and if something is plentiful, possession of it will not increase your power. A resource needs to be perceived as scarce to create dependency. The more a resource has no viable substitutes, the more power that control over that resource provides. Example, your family who provide you with tuition fee and other expenses has power over you.

3.3.3 Authority

Authority is a form of power. Specifically, formal authority is legitimate power. But we often use the term more broadly in speaking of other kinds of power as well. When we say that someone is "an authority" in a certain field, we mean that he or she knows a great deal about the subject-and thus has expert power. When we hear that "the authorities have apprehended a suspected criminal" we think of those holding the legitimate power of the government to maintain civil order. If the criminal is convicted, the judge has the "authority" or coercive power to mete out punishment.

Formal authority is the type of power that we associate with organizational structure and management. It is based on the recognition of the legitimacy of managers' attempts to exert influence. Individuals or groups attempting to expert influence are perceived as having the right to do so within recognized boundaries. This is a right that arises from their formal position in an organization. And it should be scrutinized, in view of what could go wrong with the use of authority.

- **The Two Views of Formal Authority:**

"What gives a manager the right to instruct subordinates?" This familiar question implies that before we comply with an instruction, we must be satisfied that the person issuing it has the right to do so. Where do managers get the right to direct employee's activities? There are two major competing views on formal authority in organizations: a classical view and the acceptance view.

A Classical view: A classical view of authority is that authority originates at some very high level, and then is lawfully passed down from level to level. At the top of this hierarchy may be God, the state (in the form of king, dictator, or elected president), or the collective will of the people. The military has long operated on this classical view.

According to the classical view of formal authority, management has a right to give lawful orders and employees have an obligation to obey. This obligation is, in effect, self-imposed. Members of our society, in agreeing to abide by the constitution, accept the rights of others to own private property and therefore to own and control businesses. By entering and remaining in an organization, employees accept the authority of owners and their agents-that is, managers-and therefore have a duty to obey lawful directives.

The Acceptance View; The second perspective on the origin of formal authority, *the acceptance view*, finds the basis of authority in the i*nfluencee* rather than in the influencer. This view starts with the observation that not all legitimate laws or commands are obeyed in all circumstances. Some are accepted by the receiver of the orders, and some are not. The key point is that the *receiver* decides whether or not to comply.

A person can and will accept a communication as authoritative only when four conditions simultaneously occur: (a) he can and does understand the communication; (b) at the time of his decision he believes that it is not inconsistent with the purpose of the organization; (c) at the time of his decision he believes it to be compatible with his personal interest as a whole; and (d) he is able mentally and physically to comply with it.

- **Power, Authority and Leadership**

Clearly, the concept of power is closely related to the concepts of authority and leadership. Power represents the capacity of one person or group to secure compliance from another person or group. Nothing is said here about the right to secure compliance-only the ability. In contrast, authority represents the right to seek compliance by others. The exercise of authority is backed by legitimacy. Leadership is about the ability of one individual to elicit responses from another person. Leadership is all about inspiration and influencing free will of individuals.

3.3.4 Organizational Politics

There are ample definitions about organizational politics. The definition given by Vecchio, (1991: 277) states that politics are activities people perform to acquire, enhance, and use power and other resources to obtain their preferred outcomes in a situation where there is uncertainty or disagreement. Thus, political behavior is the general means by which people attempt to obtain and use power. Whereas Robbins, (1998:870) defined political behavior as those activities that are not required as part of one's formal role in the organization, but that influence, or attempt to influence the distribution of advantages and disadvantages within the organization. This definition encompasses key elements like:

- Political behavior is outside one's specified job requirements.
- The behavior requires some attempt to use one's power bases.

- It also involves efforts to influence the goals, criteria or processes used for decision making when it is stated that politics is concerned with "the distribution of advantages and disadvantages within the organization.

The definition could also broad enough to include such varied political behaviors as withholding key information from decision makers, whistle blowing spreading rumors, leaking confidential information about organizational activities to the media, exchanging favors with others in the organization for mutual benefit and lobbying on behalf of or against a particular individual or decision alternatives.

❖ **The Reality of Politics**

In general, a political behavior could be legitimate or illegitimate. Legitimate political behavior refers to normal everybody politics-complaining to your supervisors, by passing the chain of command, forming coalitions, obstructing organizational policies or decisions through in action or excessive adherence to rules, and developing contracts outside the organization through one's professional activities. On the other hand, there are also illegitimate political behaviors that violate the implied rules of the game. Those who pursue such extreme activities are often described as individuals who "play hard ball." Illegitimate activities include sabotage, whistle-blowing, and symbolic protests such as wearing an orthodox dress or protest buttons, and groups of employees simultaneously calling in sick.

Politics is a fact of life in organizations. People who ignore this fact of life do so at their own peril. Organizations are made up of individuals and groups with different values, goals, and interest. This set up the potential for conflict over resources, departmental budgets, space allocation, project responsibilities, and salary adjustments are just a few examples of the resources about whose allocation organizational members will disagree.

❖ **Factors Contributing for Political Behavior**

Not all groups or organizations are equally political. In some organizations, for instance the acts of politics are overt and rampant, while in others, politics plays a small role in influencing outcomes. There are several factors that influence political behavior. These factors could be broadly classified into:

- **Individual factors**- at individual levels there are some traits that could be identified. In terms of traits, employees who are high self –monitors, possess an internal locus of control and have a high need for power are more likely to engage in political behavior.

The high self –monitor is more sensitive to social cues, exhibits higher level of social conformity and is more likely to be skilled in political behavior than the low self-monitor. Individuals with an internal locus of control because they believe they can control their environment, are more prone to take a proactive stance and attempt to manipulate situations in their favor.

- **Organizational factors.** Political activity is probably more a function of the organizations characteristics than of individuals' difference variables. More specifically, when an organization resources are declining, when the existing pattern of resources is changing, and when there is opportunity for promotions, politics is more likely to surface. In addition, cultures characterized by low trust, role ambiguity, under performance evaluations systems, zero-sum reward allocation practices, democratic decision making, high pressure for performance and self-serving senior managers will create breeding grounds for politicking.

3.4 Conflict Management and Negotiation in Organization

Human beings experience conflict in their everyday life. Hence organizations are not free of it. Conflict has considerable influence on individual and organizational performance. Therefore conflict management is very necessary.

Conflict is natural; it exists everywhere, wherever there is a diverse interest, perception, resource limitation, group work, even with one self-there is a possibility for conflicts to exist yet, this particular chapter will only focus on organizational conflict only.

- **The Nature of Conflict in Organization**

What is conflict? According to **Kolb and Bartinek**, "conflict can be a disagreement, the presence of tension, or some other difficulty within or between two or more parties." Conflict is common occurrence in organization.

Conflict is a process resulting in the perceptions of two parties that they are working in opposition to each other in ways that result in feelings of discomfort and or animosity. From this simple definition one can understand as: Conflict is a process, not a singular event. It evolves overtime and draws up on previous events and also discomfort or animosity must occur in order for the conflict to be real. And finally conflict may also result from the anticipation of future problems.

To better understand about conflict in organizational context, let's consider the different forms in which possibly conflict exist in an organization. Conflict could also occur at different levels i.e. to say it could occur between individuals or groups in the organization. In general the basic forms of conflict exist in an organization could be:

Task conflict- refers to the conflict regarding the goals and content of the work. For- instance, there could be possible disagreement between managers and employees over priority of goals conflict could occur.

Process conflict- this occurs when the parties agree on the goals and content of work, but disagree on how to achieve the goals and actually do the work.

Relationship conflict- Occurs when the parties have interpersonal issues.

Cognitive conflict- It can result when one person or group holds ideas or opinions that are inconsistent with those of others. It is usually evident in apolitical debate.

Affective conflict- This type of conflict emerges when one person's or group's feelings or emotions (attitude) are incompatible with those of other.

Intrapersonal conflict: - Conflict within one person. It is self-conflict or a conflict with oneself. When conflict occurs within an individual, it is called intrapersonal conflict. It occurs in three ways.

a) Approach-Approach Conflict-Here an individual must choose between two alternatives which have expected positive outcome.

b) Avoidance-Avoidance Conflict- Here, an individual must choose between two alternatives which have expected negative outcome.

c) Approach-Avoidance Conflict- Here an individual must decide whether to do something that is expected to have both positive and negative outcome.

Interpersonal conflict: - it is conflict between two individual disagree on some matters. When conflict occurs in between individual to individual, it is called interpersonal conflict.

Intragroup Conflict: When conflict occurs within one group, it is called intragroup conflict.

Inter group conflict: - Conflict can be found between groups. When conflict occurs amongst different groups, it is called intergroup conflict. It occurs in three ways.

a) Vertical Conflict-It refers to conflicts that occur between individuals at different levels. Conflict between the superior and subordinate is an example of vertical conflict.

b) Horizontal conflict-It refers to tensions between employees or groups at the same hierarchical level. Horizontal conflict occurs because of interdependence among the parties concerned in the work situation.

c) Line & Staff Conflict- It refers to the conflicts that arise between those who assist or act in an advisory capacity (staff) and those who have direct authority to create the products, process, and services of the organizing (line).

Inter organizational conflict: - Is the possible occurrence of dispute between two companies in the same industry.

- **Cause of Conflict in Organization**

Why organization has conflict? What really causes a conflict? A number of factors are known to facilitate organizational conflict under certain circumstances. Some of the possible reasons are:

Tasks interdependencies: - the greater the extent of task interdependence among individuals or groups, the greater is the likelihood of conflict, if different expectations or goals exist among entities. This occurs in part because high task interdependency heightens the intensity of relationships. Hence, a small disagreement can very quickly get blown up into a major issue.

Status inconsistencies: - this is due to status inconsistencies among the parties involved. The prerogative of manager and employees are different due to status, sometimes these difference might be the possible sources of conflict.

Jurisdictional Ambiguities: - conflict can also emerge from jurisdictional ambiguities- situations. It could be common in promotion, transfer and other related human resource management issues where personnel department and other level management found responsible and difficult to attribute any single unit.

Communication problems: - the various communication problems or ambiguities in the communication process can facilitate conflict. When one misunderstands a message or when information is withheld, someone often respond with frustration and anger.

Dependence on common Resource pool: - Whenever several departments must compete for scarce resources, conflict is almost inevitable. When resources are limited, a zero sum game exists, in which someone wins and, invariably someone loses.

Lack of common performance standards: - Differences in performance criteria and reward systems provide more potential for organizational conflict. This condition enforces different units within the organization to meet their own particular criteria probably ignoring interdependence among units.

Individual differences:- A variety of individual differences such as personal abilities, traits and skills can influence greatly way the nature of interpersonal relations. Individual dominance, aggressiveness, authoritarianism and tolerance for ambiguity all seem to influence how an individual deal with potential conflict.

❖ **Different Views on Conflict**

What comes to your mind when you hear the term conflict? Negative or positive, Favorable or unfavorable, something to be entertained or something to be avoided? This could lead us to state there are differing contradicting views on conflict. According to the management literature, views on conflict are classified in to the following:

a. The traditional View- The early approach to conflict that assume all conflict was bad; conflict was viewed negatively, and it was used synonymously with such terms as violence, destruction, and irrationality to reinforce its negative connotation. Conflict, by definition, was harmful and was to be avoided. The traditional view was consistent with the attitudes that prevailed about group behavior in the 1930s and d1940s. Conflict was seen as a dysfunctional outcome resulting from poor communication, lack of openness and trust between people, and the failure of managers to be responsible to the needs and aspirations of their employees. The view that all conflicts are bad certainly offers a simple approach to looking at the behavior of people who create conflict. Since all conflict is to be avoided, we need merely direct out attention and to the causes of conflict and correct these malfunctioning in order to improve group and organizational performance.

b. The human relations view - The human relations position argued that conflict was a natural occurrence in all groups and organization. Since conflict was inevitable, the human relations school advocated acceptance of conflict proponents rationalized its existence. It cannot be eliminated, and there are even times when conflict may benefit a group’s performance. It was dominant theory from 1940 through the mid-1970s.

c. The interactions approach - While the human relations approach accepted conflict, the interactions approach encourages conflicts on the grounds that a harmonious, peaceful and cooperative group is prone to becoming static, apathetic, and non-responsive to needs for change and innovation. The major contribution of the interactions approach, therefore, is encouraging group leaders to maintain ongoing minimum level of conflict enough to keep the group viable, self-critical and creative.

The above three views on conflict has helped you to realize how conflict is viewed among different schools of thoughts or scholars. From these facts we understand that conflict has some positive and negative elements in it. In technical term these could be referred to as functional and dysfunctional conflict.

Functional conflict is constructive form of conflict. In other words, conflict that supports the goals of the group and improves its performance, for instance, conflict can lead to the search for new ideas and new mechanisms as solutions to organizational problems. Conflict can stimulate innovation and change. It can also facilitate employee motivation in cases where employees feel a need to excel and as a result, push themselves in order to meet performance objectives. Or even conflict can at times help individuals and group members grow and develop self-identities.

Dysfunctional conflict is destructive form of conflict, that is to say conflict can have negative consequences for both individuals and organizations when people divert energies away from performance and goal attainment and direct them toward resolving conflict. The intensity and duration of conflict can determine the magnitude of the impacts of conflict.

- **The Conflict Process**

According to Robbins, the conflict process can be seen as comprising of five stages: potential opposition or incompatibility, cognition and personalization, intentions, behavior and outcomes. The brief explanation of each are presented as follows:

Stage 1 Potential opposition or incompatibility

The first step in the conflict process is the presence of conditions that create opportunities for conflict to arise i.e. the existence of conditions for the conflict. The major sources of conflict can be further categorized as communication, structure and personal variables.

Communication involves word connotations, jargon, insufficient exchange of information and noise in the communication channel are all barriers to communication and potential antecedent conditions to conflict.

Stage 2 Cognition and personalization

The antecedent conditions can only lead to conflict when one or more of the parties are affected by and aware of the conflict. At this stage, conflict must be felt and perceived. It is the feet level when individuals become emotionally involved, that parties experience anxiety, tension. Felt conflict is defined as emotional involvement in a conflict creating anxiety, tensions, frustrations or hostility. Negative emotions have been found to produce over simplification of issues, reductions in trust, and negative interpretations of the other party's behavior.

Stage 3 Intentions

Intentions intervene between people's perceptions and emotions and their overt behavior. These intentions are decisions to act in a given way. Why are intentions separated out as a distinct stage? You have to infer the other's intent in order to know how to respond to that other behavior. A lot of conflicts are escalated merely by one party attributing the wrong intentions to the other party. Additionally, there is typically a great deal of slippage between intentions and behavior, so that, behavior does not always accurately reflect a person's intentions.

Stage 4 Behavior

This is where conflict becomes visible. The behavior stage includes the statement, actions, and reactions made by the conflicting parties. These conflicting behaviors are usually overt attempts to implement each party's intentions.

Stage 5 outcomes

The action-reaction interplay between the conflicting parties results in consequences. The outcomes of a conflict could be functional or dysfunctional, as it is discussed earlier. Conflict is constructive when it improves the quality of decision, stimulates creativity and innovation, encourages interest and curiosity among group members and fosters an environment of self-evaluation and change. Or obliviously conflict could also have destructive consequences. A reasonable summary might state uncontrolled opposition breeds discontent which acts to dissolve common ties. And eventually leads to the destruction of the group.

- **Managing Conflict**

In the previous topic, the description of the conflict, the causes of conflict, the views and the conflict process were explained. From these facts one can understand that conflict is not something totally undesirable or to be avoided. Besides, its occurrence in organization is inevitable. If so, what should be done? What managerial options are available?

Conflict management involves both the stimulation and resolving conflict.

Managers must know when to stimulate conflict and when to resolve it if they are to avoid its potentially disruptive effects. The discussion will be presented as follows:

1. Stimulating conflict

A complete absence of conflict may indicate that the organization is stagnant and that employees are content with the status quo. It may also suggest that workgroups are not motivated to challenge traditional and well accepted ideas. Conflict stimulation is the creation and constructive use of conflict by a manager. Its purpose is to bring about situations in which differences of opinion are exposed for examination by all. For example, if competing organizations are making significant changes in products, markets, or technologies, it may be time for a manager to stimulate innovation and opportunity to reveal differences of opinion that they previously kept to themselves.

The following are possible techniques used to stimulate conflict under controlled conditions.

Altering the physical location of groups to stimulate more interactions and force resource sharing.

Communication- using ambiguous or threatening messages to increase conflict levels.

Bringing in outsiders- it is adding/ employing employees to a group whose backgrounds values, attitudes or managerial style differ from those of present members.

Restructuring the organization- this could include realigning workgroups, altering rules and regulations, increasing inter dependence and making similar structural changes to disrupt the status quo.

Appointing a 'devil's advocate' designation; a critic to purposely argue against the majority positions held by the group.

2. Resolving Conflict

As it was previously stated conflict could have both desirable and undesirable outcomes. Hence, it has to be properly managed. What is conflict resolution?

When a potentially harmful conflict situation exists, a manager needs to engage in a conflict resolution. Conflict needs to be resolved when it causes major disruptions in the organization and absorbs time and effort that could be used more productively. Conflict should also be resolved when its focus is on the groups' internal goals rather than on organization goals.

When attempting to resolve conflict, managers should first attempt to determine the source of the conflict. If the source of destructive conflict is particular person or two, it might be appropriate to alter the membership of one or both groups. Thus, depending on the nature of conflict different conflict resolution techniques could be used. According to (Robbins, 1998) the followings are identified as conflict resolution techniques.

Problem solving: It could involve face to face meeting of the conflicting parties for the purpose of identifying the problem and resolving it through open discussion.

Set Super ordinate goals: Creating a shared goal that can't be attained without the cooperation of each of the conflicting parties.

Expansion of Resources: when a conflict is caused by the scarcity of resource say money, promotion opportunities, office space – expansion of the resource can create a win-win solution.

Smoothing- playing down differences while emphasizing common interests between the conflicting parties.

Authoritative command: Some state as forcing – this is when management uses its formal authority to resolve the conflict and then communicates its desires to the parties involved.

- **Using Structure to Manage Conflict:**

This is where managers rely heavily on elements of organization structure to manage conflict. Among the more common methods are the hierarchy, rules and procedures, liaison roles, and task forces. The facts further explained as follow:

The managerial hierarchy – organizations that use the hierarchy to manage conflict place one manager in charge of people, groups, or departments in conflict.

Rules and procedures – routine conflict management can be handled via rules and standard procedures. Priority is specifically stated in a rule. But, as useful as rules and procedures often are in routine situations, they are not particularly effective when coordination problems and conflict are complex or unusual.

Taskforces: this is about to form a taskforce to handle conflict. The members in the taskforces should be representative from each group.

- **Using Interpersonal Techniques to Manage Conflict:**

There are also other techniques that focus on interpersonal process that can be used to manage conflict. Some of the techniques include:

Team building- team building activities are intended to enhance the effectiveness and satisfaction of individuals who work in groups or teams and to promote over all group effectiveness; consequently there should be less conflict among members of the team.

Survey feedback – each employee responds to a questionnaire intended to measure perceptions and attitudes. The aim of this approach is usually to change the behavior of supervisors by showing them how their subordinates viewed them. After the feedback has been provided, workshops may be conducted to evaluate results and suggests constructive changes.

Use of third party: A third party, usually a trained external facilitator uses a variety of mediation or negotiation techniques to resolve problems or conflicts between individuals or groups

- **Other Techniques for Conflict Management**

Avoidance: Withdrawal from, or suppression of the conflict. It occurs when an interaction is relatively unimportant to either party's goals, and the goals are incompatible. In other words, because the parties to the conflict are not striving toward compatible goals, and the issues in question seem unimportant, the parties simply try to avoid interacting with one another.

Avoiding mode is used when the individual is both unassertive and uncooperative – that is, the person has a very low concern for his own and his opponent's needs. **The outcome is "lose/lose"** strategy.

Competition: Competition occurs when one party negotiates to maximize its results at the expense of the other party's needs. Competition leads to one party gaining the advantage over the other. One party wins while the other party loses. Although it is quick and can be used as counter against another person, this option usually produces **a win-lose result**. Competing is a power oriented mode of resolving tensions and one uses whatever power one has or can muster such skills, knowledge, abilities, rank being well-connected etc. to win.

Collaboration: Collaboration occurs when people cooperate to produce a solution satisfactory to both. Collaborating involves an attempt to work with the other person to find solutions that would be satisfying to both parties. Here, the underlying concerns of both parties are explored in depth, the disagreements examine in detail and resolutions arrived at by combining the insights of both the parties. A creative solution usually emerges because of the joint efforts of both the parties who are keen on both gaining from the situation without hurting the other. The strategy gives high concern for its own group interest and high concern for the other group interest. The strategy results in **"win/win" outcome**.

Compromise: Compromise is the settlement of differences through concessions of one or both parties. In compromising, the party tries to find some expedient, mutually acceptable solutions with partially satisfies both parties, though neither is fully satisfied. Each party to the conflict gives up something of value. The parties need to accommodate and give up some of their needs. In compromise, often each party gives up something, but because the interactions are only moderately important, they do not regret what they have given up. It gives high concern for its own interest and moderate concern for the other inters. **The outcome is "win/some lose" outcome**. Contract negotiations between union and management are examples of compromise.

Accommodation: Accommodation is a negotiation style where one party is willing to oblige or adapt to meet the needs of the other party. The party that accommodates loses and the other party wins i.e. giving low concern for oneself and high concern for the other party. **It is a "lose/win" strategy.**

Accommodation is useful for negotiation on minor matters. The negotiation parties may not look for creative, new solutions. Accommodation might take the form of selfless generosity, or obeying another's order rather unwillingly or giving into another person's point of view. In all these cases, the individual neglects his or her own concern to satisfy the concerns of their other party. There is an element of self-sacrifice.

- **Ineffective Conflict Management Practices**

Some organizations dealing with the practice of ineffective conflict management practices. Some public or business firms usually practice the following **ineffective strategies** to deal with conflict: These are:

Non action – this is when a manager response to conflict is doing nothing and ignoring the problem. It may be felt that if the problem is ignored, it will go away. But in most instances, ignoring the problem may serve only to increase the frustration and anger of the parties involved.

Administrative orbiting: This is about when managers acknowledge a problem exists but then take little serious actions. Instead, they continually report that a problem is "Understudy" or that" more information is needed". This is when no tangible actions are taken to address the problem identified.

Due process Non-action: this is to set up a recognized procedure for redressing grievances but at the same time to ensure that the procedure is long, complicated, costly, and perhaps even risky. The due process non action strategy is to wear down the dis- satisfied employee while at the same time claiming that resolution procedures are open and available.

Secrecy: This is when managers attempt to reduce conflict through secrecy. For instance, one argument for pay secrecy is keeping employee salaries secret. Essentially, this is a "what they don't know won't hurt them" strategy. A major problem of this approach is that, it leads to distrust of management when managerial credibility is needed for other issues, it may be found lacking.

Character Assassination: This is when, the person with a conflict, perhaps women claiming sex discrimination, is labeled a "troublemaker". Attempts are made to discredit her and distance her from the others in the group. The implicit strategy here is that if the person is isolated and stigmatized, he or she will either be silenced by negative group pressures or else will leave.

- **Strategies for Preventing& Reducing Conflict**

A. Strategies for Preventing Conflict

According to steers and Black, (1994:564-569) several strategies has been identified for preventing conflict. Preventing conflict is often easier than reducing it once it begins. These are:

I. **Emphasizing organization wide goals and effectiveness** – If larger goals are emphasized, employees are more likely to see the big picture and work together to achieve corporate goals.

II. **Providing stable, well-structured tasks**: when work activities are clearly defined, understood, and accepted by employees, conflict should be less likely to occur. Conflict is most likely to occur when task uncertainty is high; specifying or structuring jobs minimizes ambiguity.

III. **Facilitating inter group communication**: misperception of the abilities, goals and motivations of others often leads to conflict; so efforts to increase the dialogue among groups and to share information should help eliminate conflict. As groups come to know more about one another, suspicion often diminish, and greater inter group teamwork becomes possible.

IV. **Avoiding win-lose situations:** If win – lose situations are avoided, less potential for conflict exists. When resources are scarce, management can seek some form of resource sharing to achieve organizational effectiveness. Moreover, rewards can be given for contributions to overall corporate objectives; this will foster a climate in which groups seek solutions acceptable to all.

B. Strategies for Reducing Conflict

Where dysfunctional conflict already exists, something must be done and managers may pursue one of at least two general approaches: they can try to change employee attitudes, or behaviors. In addition, the following are identified as conflict reduction strategies:

I. **Physical separation-** separation is useful when conflicting groups are not working on a joint task or do not need a high degree of interaction. Though this approach does not encourage members to change their attitudes, it does provide time to seek a better accommodation.

II. **Use of rules and regulations** – conflict can also be reduced through the increasing specification of rules, regulations, and procedures.

III. **Limiting inter-group interaction** – Another approach to reducing conflict is to limit inter-group interaction to issues involving common goals.

IV. **Confrontation and negotiation** – In this approach, competing parties are brought together face – to face to discuss their basic areas of disagreement

V. **Rotation of members** – by rotating from one group to another, individuals come to understand the frames of reference, values, and attitudes of other members; communication is thus increased. When those rotated are accepted by the receiving groups, change in attitude as well as behavior become possible.

VI. **Identification of interdependent tasks and super ordinate goals:** A further strategy for management is to establish goals that require groups to work together to achieve overall success.

VII. **Use of inter-group training**- outside training experts are retained on a long – term basis to help groups develop relatively permanent mechanisms for working together.

3.4.2 Negotiation

What is negotiation? What possible actions could be taken when two parties are in disagreement or engaged in conflict?

Negotiation is what you usually practice in your life/ it is common activity. It is also a means of settling the difference between parties. But this discussion will be limited to organizational negotiation.

Negotiation is the process in which two or more parties (people or groups) try to reach an agreement on an issue even though they have different preferences regarding that issue. In its simplest form, it is a process in which two or more parties exchange goods or services and attempt to agree upon the exchange rate for them. A little more complex are the negotiations that take place between employee and manager, labor unions and the management of a company or between two companies as they negotiate the terms of a joint venture. The key issues in such negotiations are that at least two parties are involved, their preferences are different, and they are trying to reach an agreement.

Thus, in general negotiation is a frequent practice in an organization because one can found managers negotiate with subordinates, peers, and bosses; sales people negotiate with customers; purchasing agents negotiate with suppliers. In some books negotiation is interchangeably used with the term bargaining.

In general, negotiation or bargaining is likely to have four stages. Although the strength or importance of each stage can vary from situation to situation or from one culture to another, the presence and sequence of these stages are quite common across situations and cultures. These stages are:

Non – task time – during this stage, the participants focus on getting to know and become comfortable with each other and do not focus directly on the task or issue of the negotiation.

Information exchange – at this stage negotiation involves the exchanges of background and general information. During this stage, participants may, for example, provide overviews of their company and its history.

Influence and persuade the other side- Generally, these efforts are designed to get the other party to reduce their demands or desires and to increase their acceptance of your demands or desires. There are a wide variety of influence tactics including promises, threats, and questions and so on. The use of these tactics as well as their effectiveness is a function of several factors.

Closing – the final stages of any negotiation. The closing may result in an acceptable agreement between the parties involved or it may result in failure to reach an agreement. The detailed explanation of the process involved in the negotiation will be explained in coming section.

- **Types of Negotiation**

There are two general categories of negotiation – the use of specific strategies depends on the nature of the negotiation. The commonly known negotiations types are:

A) Distributive bargaining/competitive negotiation – It is a "win –lose" bargaining. That is, the goals of one party are in fundamental and direct conflict with those of the other party. Resources are fixed and limited, and each party wants to maximize his or her share of these resources. Finally, in most cases, this situation represents a short – term relationship between the two parties. In fact, such parties may not see one another ever again. The most identifying – features is that distributive bargaining operates under **zero – sum** situations. That is, any gain one make is at others expense, and vice versa. Probably the most widely cited example of distributive bargaining is in labor – management negotiation over wages. In this type of negotiation, each party has a target point that defines what he or she would like to achieve. Each also has a resistance point, which marks the lowest outcome that is acceptable – the point below which they would break off negotiations rather than accept a less favorable settlement.

B) Integrative bargaining /cooperative negotiation: It is "win- win situation" bargaining. With this technique, both parties try to reach a settlement that benefits both parties. Such an approach is often predicted on the belief that if people mutually try to solve the problem it is often referred as **joint point problem solving**. A good example can be seen in bilateral trade negotiations between two nations.

In terms of inter-organizational behavior, all things being equal, integrative bargaining is preferable to distributive bargaining. Why? Because it helps to build long – term relationships and facilitates working together in the future. It bonds negotiators and allows each to level the bargaining table feeling that he/she has achieved a victory. Distributive bargaining, on the other hand, leaves one party a loser. It tends to build animosities and deepen divisions when people have to work together on an ongoing basis.

Distributive Vs Integrative Bargaining

Bargaining characteristics	**Distributive Barging**	**Integrative Bargaining**
Available resources	Fixed amount of resources to be divided	Variable amount of resources to be divided.
Primary motivations	I win, you lose	I win, you win
Primary interests	Opposed to each other	Convergent or congruent with each other
Focus of relationships	Short - term	Long - term

❖ **The Negotiation Process**

The negotiation process is all about the activities involved in negotiation. In the first section under negotiation stages, negotiation has been briefly explained while this part provides the 5 steps identified in the negotiation process by Robbins, (1998: 959 – 562). These are:

1. **Preparation and planning** – Before you start negotiating, you need to do your homework. What is the nature of conflict? What's the history leading up to this negotiation? Who is involved and what are their perceptions of the conflict? What do you want from negotiation? What are your goals? You also want to prepare an assessment of what you think the other party to your negotiation's goals is. What they are likely to ask for? How entrenched are they likely to be in their position? What intangible or hidden interests may be important to them? When you can anticipate your opponent's position, you are better equipped to counter his or her arguments with the facts and figures that support your position.

2. **Definition of Ground rules**- Once you have done your planning and developed a strategy, you are ready to begin defining the ground rules and procedures with the other party over the negotiation itself. Who will do the negotiating? Where will it take place? During this phase, the parties will also exchange their initial proposals or demands.

3. **Clarification and justification** – when initial positions have been exchanged, both parties will explain, amplify, clarify, bolster, and justify your original demands. This need not be confrontational. Rather, it is an opportunity for educating and informing each other on the issues, why they are important, and how each arrived at their initial demands. This is the point where one of the parties might want to provide the other party with any documentation that helps support your position.

4. **Bargaining and problem solving**- The essence of the negotiation process is the actual give – and – take in trying to have an agreement. Concessions will undoubtedly need to be made by both parties. In bargaining please note the following:

- Begin with a positive overture (proposal).
- Address problems, not personalities
- Pay little attention to initial offers
- Emphasize a win-win situation
- Create an open and trusting climate

5. Closure and implementation: The final step in the negotiation process is formalizing the agreement that has been worked out and developing any procedures that are necessary for implementation and monitoring.

Chapter 4: Organizational System and Dynamics

Introduction

In order to accomplish the overall goal of the organization, activities should be divided into specialized tasks; similar tasks should be grouped together to support coordination and facilitate control. Appropriate number of individuals should be assigned under a manager's supervision to ensure both coordination and control. Besides, commensurate authority should be assigned to the job. Accomplishing these tasks require to have structure that clearly specify the pattern of relationship, form of communication that specify reporting pattern, the chain of command and authority relationship. It is difficult to operate without structure for the structure set framework in which organization tasks are coordinated and integrated.

This particular unit tries to cover the basic issues related to structure, listing the elements of structure, introduce the dimensions of structure and finally try to present few models related to structure in the form of explanation. Hence, you are strongly advised to have further reading related to the topics to be discussed. Finally, a brief explanation of organization culture will be given coverage.

4.1 Organization Structure

Activities in an organization cannot be done (performed) by the single unit. Each activities could involve different duties, roles, responsibilities with accountability, risk involved with making decision. Thus, in order to achieve overall organizational objectives, jobs and duties to be performed by the organization members /units should be identified, properly classified and also grouped to ensure proper coordination. Besides, commensurate authority required by the job to make decision should be allowed. Moreover, there should be proper mechanism for communication, coordination and control. This all shows the necessity of organizational structure to properly carry out organizing functions of management

Organization structure defines how job tasks are formally divided, grouped and coordinated or organization structure is the system of task, reporting and authority relationships within which the work of the organization is done. From the explanation given above, it can be inferred that organization structure defines:

How the tasks are to be allocated

Who report to whom?

The formal coordinating mechanisms

Interaction pattern to be followed

The structure of an organization is most often described in terms of its organization chart. An organizational chart is a diagram showing positions, reporting relationships, and lines of formal communication in the organization.

- **Elements of Organizational Structure**

The major elements to be considered under organization structure are:

Division of labor – which refers to how the overall tasks or activities are divided

Departmentalization – on what basis will jobs be grouped together?

Span of control – how many individuals can a manager efficiently and effectively direct.

Centralization – where does the locus of decision making authority lie?

The brief discussion of each element will be presented as follow:

I. Division Of Labor- It describe the degree to which the tasks in the organization are divided into separate parts or simply stated, it is the extent to which the organization’s work is separated into different jobs to be done by different people. Division of labor creates specialization. Another element in favor of division of labor is efficiency one's skill at performing a task increases through repetition. Efficiency is also exhibited in reducing time spent in changing tasks. The essence of work specialization is that rather than the entire job is done by an individual, it is broken down into a number of steps being completed by a separate individuals.

II. Departmentalization –It involves the grouping of common activities or similar activities of a business under a single person’s control for the purpose of facilitating smooth administration at all levels. It is one of the key concepts of organizing.

It is the manner in which the divided tasks are combined and allocated into a work unit (groups). It is all about integration of effort. There are many possible ways to group or departmentalize tasks. The grouping most often used are: business function, process, product or service, customers, geography and time. The first two, functions and process, derive from the internal operation of the organization while the others are based on external factors.

Departmentation by Enterprise Function: Departmentalization by function is based on the identifying the core functions of the organization. It is the most frequently used types of structure.

It is a form of departmentalization in which everyone engaged in one functional activity, such as marketing or finance, and grouped into one unit. It works best when the organizational environment is stable and tight control over processes and operations is desired.

It is used mainly (but not only) by smaller firms that offer a limited line of products, because:(1) it makes efficient use of specialized resources, (2) it makes supervision easier, (3) it makes it easier to mobilize specialized skills, and bring them to bear where they are most needed.

Departmentation by Product or Service: This type of departmentation comes as a result of organizing a company by divisions that bring together all those involved with a certain type of product or service. It enhances interaction and communication among employees who produce the same product or service and may reduce coordination problems. This type of departmentation is made by the large multi-product companies. It is a logical pattern to follow when a product type calls for manufacturing technology and marketing methods that differ greatly from those used in the rest of the organization. In this type of configuration, there may be less process specialization but more specialization in the particularities of specific product or service. The disadvantage is that employees may become so interested in their particular product or service that they miss technological improvements or innovations developed in other departments.

Departmentation by Region or Area or Territory (Geographical): This method of Departmentation brings together in one department all activities performed in the region where the unit conducts its business. The business activities are grouped in area-wise and each area is in charge of a single person. It also means that groups are organized according to the region of the country or world. Sales of marketing groups often are arranged by geographic region.

Each bases of departmentalization has its own merit and limitation which in fact could be influenced by the size, age, scale of operation of the organization

Departmentalization by customer is often called "departmentalization by market" with customer departmentalization there is surely less process specialization because employees must remain flexible to do whatever is necessary to enhance the relationship with customers. This configuration offers the best coordination of the works flow to the customers; however, it may isolate employees from others in their special areas of expertise.

Departmentation by Process or Equipment: In this kind of Departmentation, people and materials are brought together in order to carry out a particular operation. This type of Departmentation is followed when the production activities are carried on in many places.

Departmentation by Time: Business activities can group together on the basis of the time of performance. If the work is not completed within the normal working hours, extra time will be given to complete after the normal working hours. Each of these methods of Departmentation has its own advantage and disadvantage. Read further about the advantages and disadvantages of each method.

III. Span of Control- span of control refers to the number of people reporting to a manager. It defines the size of the organization's workgroups. A manager who has a small span of control can maintain close control over workers and stay in contact with daily operations. If the span of control is large or wide, close control is not possible easily. Henry Mintzberge concludes that the optimal unit size or span of control depends on five conditions:

1) The coordination requirements within the units, including factors such as the degree of job specialization…

2) The similarity / homogeneity/ of the task in the unit

3) The type of information available or needed by unit members

4) Differences in the members' need for autonomy

5) The extent to which members need direct access to the supervisor

Obviously, as it is well known to you, span of control could be narrow or broad creating either tall or flat structure each having its merit and demerits.

IV. Centralization – it is structural policy in which decision making authority is concentrated at the top of the organizational hierarchy. Decision making in organization is more complex than the simple centralized decentralized classification. If there is little employee participation in decision making, then decision making is centralized, regardless of the nature of the decision making made. If individuals or groups participate extensively in making non programmed decision, the structure can be truly described decentralized whereas if individuals or groups participate extensively in decision making but mainly in programmed decisions, the structure is called "**formalized decentralization".** Formalized decentralization is a common way to provide decision making involvement for employees at many different levels in the organization while maintaining control and predictability.

The most obvious fact related with centralization is the right to make decisions. The distribution of power in organization is conceptualized as the degree of centralization. Organizations in which the decisions were made by only a few people at the top relied on rules and close supervision as a means of ensuring consistent performance by the workers. These organizations were also characterized by a less professionalized staff. Thus, the presence of a well-trained staff is related to a reduced need for extensive rules and policies and gives more discretion to employees and inclined towards teamwork and empowerment.

The greater the level of participation of groups in organization, the lesser degree of centralization will be. Besides, when most decisions are made hierarchically, an organizational unit is considered to be centralized. In a highly professionalized organization, for example, decisions in regard to areas of professional competence are left to the professionals involved. Areas that are considered to be outside the limits of professional competence are likely to be more centralized. (Hall, 2005:65-67; Robey and Sales, 1994:80-82)

- **Dimensions of Organizational Structure**

The commonly identified dimensions of organizational structure are:

- **Complexity**
- **Formalization**
- **Centralization**

Separate discussion of each are presented as follow:

I. **Complexity**

Complexity refers to the degree of differentiation that exists within an organization. Differentiation in an organization could be:

a. Horizontal differentiation – it shows the degree of differentiation between units based on the orientation of the members, the nature of task they perform and their education and training. The implication is that the larger number of different occupations within an organization that require specialized knowledge and skills, the more complex that organization is. Because diverse orientations make it more difficult for organizational members to communicate and more difficult for management to coordinate their activities. Conversely, diversity increases the likelihood that they will have different goal emphases, time orientations, and even a different work vocabulary.

The most visible evidence of horizontal differentiation is specialization and departmentalization

b. Vertical differentiation- refers to the depth in the structure, in other words, it is the extent of the level created by the hierarchy of the organization. Thus, differentiation increases complexity as the number of hierarchical levels in the organization increases. Vertical differentiation determine span of control. In other words, with tall structure complexity increases. Because, tall structure provides close supervision and tighter "boss-oriented" controls which complicates communication and coordination in the organization. However, vertical differentiation is linked with several factors affecting span of control. For instance, certain jobs require more direction, whereas others require less and individuals depending on their education, skills and personal characteristics vary in the degree of freedom or control they prefer

c. Spatial differentiation – refers to the degree to which the location of an organization's offices, plants and personnel are dispersed geographically. An organization can perform the same activities with the same degree of horizontal differentiation and hierarchical arrangement in multiple locations. Yet this existence of multiple locations increases complexity. Therefore, the other element in complexity is **spatial differentiation**, which refers to the degree to which the location of an organization's offices, plants, and personnel are dispersed geographically.

II. Formalization

Formalization literally refers to the degree to which rules, procedures and instructions in an organization are strictly used. Where still most literature in management prefers to define/ express formalization as the degree to which jobs within an organization are standardized. The more an organization is formalized, the more there exist explicit job descriptions, a lot of organizational rules, clearly defined procedures.

Therefore, it could be said that formalization is a measure of standardization. As a result an individual's discretion on jobs is inversely related with formalization. It is generally true that the narrowest of the unskilled jobs for those that are simple and most repetitive are most amenable to high degree of formalization. The greater the professionalization of the job, the less likely it is to be highly formalized. Formalization is also related with the level of organization. Employees higher in the organization are increasingly involved in the activities that are less repetitive and require unique solutions. Hence, the discretion that managers have increases as they more up the hierarchy.

Importance of Formalization

Organizations use formalization because of the benefits that accrue from regulating employees' behavior. Standardizing behavior reduces variability.

Standardization also promotes coordination. The economics of formalization also should not be overlooked.

The greater the formalization, the less discretion required from a job incumbent. This is relevant because discretion costs money. Jobs that are low on formalization demand greater judgment. Given that sound judgment requires quality, organizations have to pay more (in terms of wages, salaries, and benefits) to acquire the services of individuals who possess this ability.

III. C**entralization**

Centralization refers to the degree to which decision making is concentrated at a single point in the organization. A high concentration implies high centralization, whereas a low concentration indicates low centralization or what may be called **decentralization**. There is also agreement that it is distinctly different from spatial differentiation.

It is all about where is the locus of decision making authority lies in the organization. When it is said that concentration of authority at a single point refers to an individual units or level in the organization. Both centralization and decentralization has their own merit and demerit. It is left for you as a reading assignment yet, decentralization, could be described as:

Facilitate speedy action – avoids the need to process the information through the vertical hierarchy.

Decentralized decision- making can **provide motivation to employees** by allowing them to participate in the decision making paces

It can also provide **a training opportunity** for lower level managers.

- **Models of organizational structure**

There are various models of organization structure developed by several scholars in management.

Although there are different models of organization structure, this particular material presents you with mechanistic and organic structure.

1. Mechanistic Structure – it is the traditional structure that closely resembles the bureaucratic model features identified by Max Weber. The more predictable and certain the inputs, the greater the opportunity to structure organizational activities under mechanistic structure to perform effectively. In the extreme form, every task is preplanned, and quantity and quality of task performance are highly regulated. A highly specialized system of roles, clear reporting relationships, and an unambiguous reward system are highly associated with mechanistic structure (Robey and sales, 1994: 86 – 92). The following specific characters describe the organization with a mechanistic structure.

a. Jobs are narrow in scope, permitting employees to become experts in specialized functions.

b. Tasks are so well defined by rules and procedures that standard performance can be achieved.

c. Responsibilities are clear; people know what is expected of them.

d. Clear hierarchies of authority exist to control and coordinate the work of specialists etc.

In general, adherence to this structure would seem to promote efficiency. For instance, banks are very often mechanistic or bureaucratic in structure. Specific procedures guide the actions of tellers, loan officers, clerks and other personnel. The result of mechanistic structure is that control and accountability can be retained even in the face of increasing environmental uncertainty. However, many writers have criticized mechanistic structure for being adaptive and for stifling the human qualities of workers. They also claim that it is inappropriate for rapidly changing environment.

2. **Organic structure** – it is the structural orientation that acknowledges the interdependency of activities in the organization and also allows discretion to employees. The organic structure is used when the inputs become less certain and unpredictable and activities become more difficult to specify in advance.

Organic structures adapt more readily to changing environments; Tries to interpret novel situations and adopt appropriate coping responses. The organic structure has the following characteristics:

a. Jobs are broadly defined, permitting employees to perform a wide variety of different tasks.

b. Tasks are not governed by standard rules or procedures

c. Responsibilities are somewhat ambiguous, and often a team of employees will share responsibility for an outcome.

d. A hierarchy of authority may exit, but it is often by passed or ignored in the interests of finding persons with the expertise needed to solve a particular problem

e. It is difficult to link reward to performance etc…

Thus, while the mechanistic structure has carefully structured roles and responsibilities, an organic job description might consists of the statement, "Do what you think is necessary to get the job done." Where expertise necessary for task completion is widely dispersed, the authority of lower levels is increased. "You are expert; you decide" is a common authoritative direction in organic structure. Also, in the absence of clear performance standards, employees may guide themselves rather than to be controlled by elaborate formal system.

- **Factors that Influence Structure Design**

So far you have gone through what structure is, its dimensions, its elements and models of organizations design. This is the section that tries to present you factors that influence organizational structure and gives you hint about the basic consideration of organizational structure design, the managerial process and decision related to designing organizational structure.

According to Robbins (1998:22-25) the following are listed as issues that determine structure. These are:

- The organization's overall strategy,
- Size or the number of people employed in the organization
- The degree of routines and use of technology
- The degree of uncertainty in the organization's environment and finally
- Self-serving preferences of those individuals and or groups who hold power and control in the organization. However, this section will focus on the size, environment and technology. The brief presentation of the fact will be as follow:

Technology

Robey and Sales, (1994:11) defined technology as the activities, equipment, and knowledge used to convert organizational inputs into desired out puts. It refers to the information, equipment, techniques, and processes required to transform inputs into outputs in the organization. That is, technology looks at how the inputs are converted to outputs. There is also agreement that the concept of technology, despite its mechanical or manufacturing connotation, is applicable to all types and kinds of organizations. All organizations turn inputs into outputs. Regardless of whether the organization is a manufacturing firm, a bank, a hospital, a social service agency, a research laboratory, a newspaper, or a military squadron, it will use a technology of some sort to produce its product or service.

Technology and structure

The relationship between technology and organizations structure is not easy to understand. Some work is delegated, with the control remaining at the top of the organization by the use of rules governing the work. Other work is delegated to specialists who make their own decisions at lower level in the organization. Work that is delegated with controls is routine in its technology. Organizations deal with tasks that vary in the certainty with which they can be accomplished. The variety of tasks performed in an organization means in essence that it has multiple technologies and thus must structure itself according to the task being performed. If the natures of tasks performed are homogeneous and the size of organization is large, technology could be used to control outputs of the employees. This implies technology also permits organizations to monitor members' behavior. (Hall, 2005; Robey and Sales, 1994)

Modern information technology can assist firms in improving their communication systems, could be used in control system i.e. to monitor and evaluate organizational performance and decision support system that supports the intellectual processes of planning and decision making.

Size

At first glance, organizational size appears to be a simple variable-the number of people in an organization. The size issue is much more complicated than that. The size could be explained in terms of the following components:

The first components of size are the **physical capacity** of the organization.

The second component of size is the **personnel available** to the organization.

The third component of size is **organizational inputs or out puts**.

The final component of size is the **discretionary resources available** to an organization, in the form of wealth or net assets. Yet most literature relates the personnel available to the organization as a size influencing organization structure. The increase in size could be related to increased complexity. Yet, the fact doesn't hole true always.

Size and structure

As Scott (1992:258-263) stated, there are different explanation of size. Some analysts treat it as a dimension of organizational structure like formalization or centralization, one of several structural properties of an organization. Others treat size more as a contextual variable that measures the demand for an organization's services or products and thereby provides opportunities and imposes constraints on the structure.

Like technology, size appears to be a variable that is on the interface between the organization and its environment. Both variables are, on the one hand internal features, strongly shaped by external conditions. If technology assesses what type of work is performed by the organization, size measures how much of that work the organization carries on the scale on which the work is conducted.

Environment

An organization's environment and general environment are essentially the same. The latter includes everything, such as economic factors, political conditions, the social milieu, the Legal structure, the ecological situation, and cultural conditions. The general environment encompasses conditions that may have an impact on the organization.

The **specific environment** is that part of the environment which is directly relevant to the organization in achieving its goals.

At any given moment, it is the part of the environment with which management will be concerned because it is made up of those critical constituencies that can positively or negatively influence the organization's effectiveness. It is unique to each organization and it changes with conditions. Typically, it will include clients or customers, suppliers of inputs, competitors, government regulatory agencies, labor unions, trade associations, and public pressure groups.

Environment and structure

Adaptation occurs not only in response to technical environments but also as a reaction to institutional environment. Organizations enhance their chances for survival and resource acquisition by adhering loosely to the institutionally defined patterns, by incorporating them in their own structures, becoming structurally isomorphic with them. It is important to stress that the organization's "mapping" or incorporating of portions of the environmental variety" into its own structure, introduces new and different and sometimes alien and hostile elements into its own system.

Much of what passes for organization structural consists of varying types of mechanisms for controlling the behavior of participants. Hierarchy, formalization, centralization, modes of coordination are all devices to help ensure that the organizational managers can shape and influence the behavior of other participants charge with carrying on the production activities of the organization.

- **Parts of Organization Structure**

While there is no universally agreed-upon framework for classifying organizations, Henry Mintzberg's recent work probably closest to it.

Mintzberg argues that there are five basic parts to any organization.

1. The operating core. Employees who perform the basic work related to the production of products and services.

2. The strategic apex. Top-level managers, who are charged with the overall responsibility for the organization.

3. The middle line. Managers, who connect the operating core to the strategic apex.

4. The techno structure. Analysts, who have the responsibility for affecting certain forms of standardization in the organization

5. The support staff. People who fill the staff units, who provide indirect support services for the organization.

Anyone of these five parts can dominate an organization. Moreover, depending on which part is in control, a given structural configuration is likely to be used. If control lies with the operating core, decisions are decentralized. This creates **the professional bureaucracy**. When the strategic apex is dominant control is centralized and the organization is **a simple structure**. If middle management is in control, you'll find groups of essentially autonomous units operating in **a divisional structure**. Where the analysts in the techno structure are dominant, control will be through standardization, and the resultant structure will be a **machine bureaucracy**. Finally, in those situations where the support staff rules, control will be via mutual adjustment and **the adhocracy arises.**

I. The simple structure- Many manufacturing and service giving organizations which are owned and managed by private owners and family members utilize the simple structure. Examples, schools, universities, super markets, pharmacies, clinics, private hospitals etc.

The simple structure is said to be characterized most by what it is not rather than what it is. The simple structure is not elaborated. It is low in complexity, has little formalization, and has authority centralized in a single person. The simple structure is depicted best as a flat organization, with an organic operating core and almost everyone reporting to a one person strategic apex where the decision-making power is centralized**.**

II The Machine Bureaucracy- Standardization! That's the key concept that underlies all machine bureaucracies. Take a look at the bank where you keep your checking account; the department store where you buy your clothes; or the government offices that collect your taxes, enforce health regulations, or provide local fire protection. They all rely on standardized work processes for coordination and control.

The machine bureaucracy has highly routine operating tasks, much formalized rules and regulations, tasks that are grouped into functional departments, centralized authority, decision making that follows the chain of command, and an elaborate administrative structure with a sharp distinction between line and staff activities**.**

III. The Professional Bureaucracy- The last quarter of a century has seen the birth of a new structural animal. It has been created to allow organizations to hire highly trained specialists for the operating core, while still achieving efficiencies from standardization. The configuration is called **professional bureaucracy**, and it combines standardization with decentralization.

The jobs that people do today increasingly require a high level of specialized expertise. An undergraduate college degree is required for more and more jobs. So, too, are graduate degrees. The Knowledge explosion has created a whole class of organizations that requires professionals to produce their goods and services. This includes hospitals, school, districts, universities, museums libraries, engineering design firms, social service agencies, and public accounting firms. This has created the need for an organizational design that relies on social specialization rather than functional specialization; that is, specialization that is based on the possession of individual skills rather than division of labor.

The power in the configuration for professional bureaucracies design rests with the operating core because they have the critical skills that the organization needs, and they have the autonomy-provided through decentralization-to apply their expertise. The only other part of the professional bureaucracy that is fully elaborated is the support staff, but their activities are focused on serving the operating core.

IV Divisional Structure- A closer look at divisional structures reveals typically that the divisions represent a set of "little companies" that are designed as machine bureaucracies. The divisions tend to be organized into functional groups, with high division of labor, high formalization and centralized authority in the division managers.

V. Adhocracy - Adhocracies are best conceptualized as groups of teams. Specialists are grouped together into flexible teams that have few rules, regulations, or standardized routines. Coordination between team members is through mutual adjustment. As conditions change so do the activities of the members. But adhocracies don't have to be devoid of horizontally differentiated departments. Frequent departments are used for clarity, but then department members are deployed into small teams-which cut across functional units -to do their tasks.

The distinction between managers and workers is minimized since professionals essentially staff the organization. All employees enjoy a great deal of autonomy.

4.3 Organizational Culture

Organizational Culture deals with past and current assumptions, experiences, values, attitudes, beliefs, expectations, customs etc. Culture relates to the informal aspects of organizations rather than their official elements. They focus on the values, beliefs and norms of individuals in the organization. Culture is manifested by symbols and rituals rather than through the formal structure of the organization.

The values and behavior that contribute to the unique social and psychological environment of an organization is called **organizational culture**. It refers to the system of shared meaning held by the members that distinguishes one organization from other organization.

Organizational culture represents a common perception held by the organization's members. This was made explicit when we defined culture as a system of shared meaning. One should expect, therefore, that individuals with different backgrounds or at different levels in the organization will tend to describe the organization's culture in similar terms.

- **Features of Organizational Culture**:

- Shared meaning

- Values and Norms
- Behavioral Consistency
- Organizational Philosophy
- Clear Guidelines
- Sense of Belongingness

❖ **Factors Determining Organizational Culture**

Organization Founder: Whatever impression founders create about the organization, it continues and develops for a long period of time.

Corporate success & shared Experiences: Corporate success for a long period develops a strong culture. If the members share common experience, it remains in their mind forever.

Innovation & risk taking: Innovative and risk taking employees develop a strong culture.

Outcome rather than technique: Organizations whose managers focus on outcome rather than technique, they develop strong culture.

Competitiveness: Organizations whose employees are competitive are actually stronger than non-competitive.

Shared interpretation: Organizations whose members have common perception and thinking about organizational values, norms, they can develop a strong culture.

❖ **Functions of Organizational Culture**

- ✓ It distinguishes one organization from another organization. That means it creates brand name for the organization.
- ✓ It develops a sense of identity amongst its members.
- ✓ It promotes commitment amongst employees to achieve organizational goals.
- ✓ It develops appropriate standards for employees & holds them together to achieve those standards.
- ✓ It provides a control mechanism for shaping the attitude & behavior of employees.

❖ **How Employees Learn Culture**

Culture is transmitted to employees in a number of forms, the most potent being stories, rituals, materials symbols, and language. A brief explanation given as follow:

- **Stories-** they typically contain a narrative of events about the organization's founders, rule breaking, reduction in the workforce, relocation of employee's reaction to past mistakes, and organizational coping. These stories anchor the present in the past and provide explanations and legitimacy of practices.

- **Rituals-rituals** are repetitive sequence of activities that express and reinforce the key values of the organization, what goals are more important, which people are important and which are expendable. It helps to ensure permanence of tenure.

- **Materials symbols-** this refers to provision of various materials which could give value by the employees to associate themselves with the organization. The layout of corporate headquarters, the types of automobiles top executives are given are some examples of materials symbols. These materials symbols convey to employees who is important, the degree of egalitarianism desired by top management, and the kinds of behavior that are appropriate.
- **Language –** many organizations and units within organizations use language as a way to identify members of a culture of subculture. By learning this language, members attest to their acceptance of the culture and, in so doing, help to preserve it. .

4.4 Organizational Change and Development

Introduction

We are in the age of dynamic change. Even sometimes we may not have time to wonder about the past for it is even difficult to deal with the present. As a student you might have seen a lot of changes around; in the business there are thousands of business emerging and dying, stiffer competition; even in public organization a lot of restructuring are going on. And finally there is increasing use of information technology. Globally, there is a shift of power economic development from one country to another or balanced power and development.

What is a change? Change in itself is the movement from the old way of doing things to a new way. Change may entail installing new equipment, restructuring the organization, implementing a new performance appraisal system anything that alters existing relationships or activities. Although change is almost everywhere, this particular chapter will focus on the organizational change.

- **Introducing Change Management**

Change is becoming a fact of life. In globalize era change (dynamism) is becoming a natural. Obviously, organizational changes occur as a result of life cycle of the organization. I.e. Organization could pass through different life cycle which demands different managerial approaches that might demand structural and technological change or else change occur unexpectedly due to both internal and external forces that causes change.

Any alteration which occurs in the overall work environment of an organization is called **Organizational change**

The way we individuals change due to age, education, change of job, illness, change in geographical area, organizations also change due to several reasons over a period of time. Change is necessary for survival and growth. Changes are constantly taking place in our environment.

Some changes are planned deliberately introduced by the management and some are a result of a pressure from external forces.

Management is charged with the responsibility for maintaining a dynamic equilibrium by diagnosing situations and designing adjustments that are most appropriate for coping with current conditions. A dynamic equilibrium for an organization would include the following:

- Enough stability to facilitate achievement of current goals
- Enough continuity to ensure orderly change in either ends or means
- Enough adaptability to react appropriately to external opportunities and demands as well as changing internal conditions
- Enough innovativeness to allow the organization to be proactive (initiate changes) when conditions warrant.

- **Factors Affecting Change**

More and more organizations today face dynamic and changing environment. Especially in globalize era things/ situations can't stay longer as stable. The question is what forces causes change in the organization?

The need for organizational change becomes apparent when managers sense that an organization's activities, goals, or values are deficient in some way. The forces necessitating organizational change can be found both inside and outside the organizations. If managers are to take a comprehensive view of innovation and adaptation, they must be aware of both types of forces and be able to account for both in their actions.

There are both external and internal forces that result in pressure for change,

A. External Factors

These are forces outside the organization but results in organizational change. These forces include:

Changes in the economic or market conditions (security market changes, interest rate fluctuations, foreign currency fluctuation, inflations, decline in demand for a company product etc.

Change in product or manufacturing technology, Technology is changing jobs and organization for instance, the substitution of computer control for direct supervision will result in wider span of control for managers and flatter organization.

Changes in the legal or political situation- For instance a new consumer protection law that affects current products or practices. For instance, in Ethiopia there is a change of political system from dictatorial type of administration to democratic system.

Changes in the resource availability- such as an increase in cost or sudden unavailability of a major input, such as oil.

Competition for scare resource, expanded market share and influence in the global market is becoming the major reasons for change in the current era

B. Internal Forces for Change

As the name implies, these are forces within the organization that will result in change. These factors include:

Changes in the composition or personal goals of employees- individual preference and test change due to several reasons, which could be the greatest cause for change.

Change in the job technology (more computers and automation, TQM programs) - due to the advancement of the technologies a lot of new ways, means and methods, equipment, facilities,

Organizational structure change- due to the reasons explained in the previous parts organizational re-structure is evident in most organizations.

Organizations Workforce- In recent times, the work force composition is varied and is not very static. Its composition changes in terms of age, education, sex and so forth. In a stable organization with a large pool of seasoned executives, there might be a need to restructure jobs in order to retain younger managers who occupy lower ranks. The compensation and benefit system might also need to be adapted to reflect the needs of an older work force.

Change in the organizational goals (when the priorities / emphases of goals changes)

Employee Attitudes: Employee attitudes such as increased job dissatisfaction may lead to increased absenteeism, more voluntary resignations, and even labor strikes. Such events will often lead to changes in management policies and practices

- **Managing Planned Change**

Depending on the nature of the organization and leadership to be reactive or proactive, how change is introduced in the organization varies. Thus, a change could be externally imposed or deliberately introduced for the good of an organization. What is management of planned change and what is involved in the planned change, what strategies are available to introduce planned change?

External forces may impose change on an organization. Ideally, however, the organization will not only respond to change but will also anticipate it, prepare for it through planning, and incorporate it in the organizations strategy. Thus, a planned change is change activities that are intentional and goal oriented. The introduction of planned change, first it seeks to improve the ability of the organization to adapt to changes in its environments; second, it seeks to change employee behavior.

If an organization is to survive, it must respond to changes in its environment. When competitors introduce new products or services, government agencies enact new laws, important source of supply go out of business, or similar environmental changes take place. Therefore, the organization needs to adapt. Efforts to stimulate innovation, empower employees, and introduce work teams are examples of planned change activities directed at responding to changes in the environment. Since an organization's success or failure is essentially due to the things that its employees do or fail to do, planned change also is concerned with changing the behavior of individuals and groups within the organization.

It also helps to think of planned change in terms of order of magnitude. **First order change** is linear and continuous. It implies no fundamental shifts in the assumptions that organizational members hold about the world and how the organization can improve its functioning. In contrast, **second order change** is a multidimensional, multilevel, discontinuous radical change involving reframing of assumptions about the organization and the world in which it operates.

Who in organizations are responsible for managing change activities? The answer is change agents people who act as catalysts and assume the responsibility for managing change activities. Change agents can be managers or non- manager employees of the organization or outside consultants.

- **What Can Change Agent Change?**

For the changes to be introduced and properly implemented there is a need for the change agents to meaningfully participate from the inception of change to its realization. As most literature suggests what change agents can actually change could be categorized in to four:

a. Changing structure – It briefly involves making an alteration in authority relationship, coordination mechanisms, job redesign, or similar structural variables. The changes to be introduced by the change agent include the shift from simple structure to team based structure or the creation of matrix design. Change agents might consider redesigning jobs or work schedules. Job description can be redefined jobs enriched or flexible work hours can be introduced.

b. Change in technology – it encompasses modifications in the way work is processed and in the methods and equipment used. Competitive factors or innovations with in industry often require change agents to introduce new equipment, tools or operating methods. For instance, in automobiles industry there is inclination towards automation.

c. Changing the physical setting – it is about altering the space and layout arrangement in the work place. The layout of work space should not be a random activity. Typically, management thoughtfully considers work demands, formal interaction requirements and social needs when making decisions about space configurations, interior design, equipment placement and the like. For example, by eliminating walls and partitions and opening up an office design, it becomes easier for employees to communicate with each other. This is what has been done practically in most Ethiopian ministerial offices following BPR (Business Process Reengineering). Similarly management can change the quantity and types of lights, the level of heats or cold, the level and types on noise and the cleanliness of the work area as well as interior design dimensions like furniture decorations and color schemes.

d. Changing people -To properly introduce a change, people’s attitude and their commitment matters a lot. Thus, change agents should help individuals and groups to work more effectively together. This category typically involves changing the attitudes and behaviors of organizational members through the process of communication, decision making, and problem solving.

- **Models for Planned Organizational Change**

Models are simplified versions of the realties. They represent the theoretical framework in a reality in a systematic manner. Planned organization change requires a systematic process of movement from one condition to another. Kurt lewin suggested that efforts to bring about planned change in organizations should approach change as a multistage process. (Griffin, 2007: 513 – 515).

1) Lewin's process model – Lewin's model of planned change is made up of three steps:

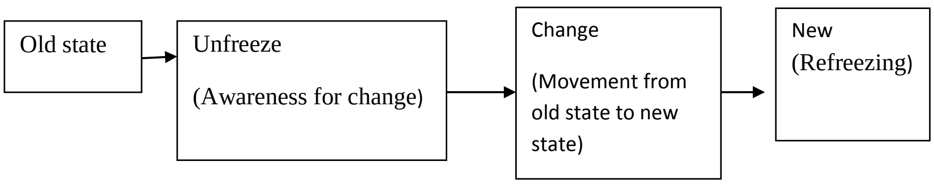
- Unfreezing,
- Change and
- Refreezing.

Unfreezing is the process by which people become aware of the need for change. If people are satisfied with current practices and procedures, they may have little or no interests in making changes. The key factor in unfreezing is making employees understand the importance of a change and how their jobs will be affected by it. Creating employees the awareness of the need for change is the responsibility of the leadership in the organization.

Change (Movement to a new state): Changing or moving is the phase where the changes that have been planned are actually initiated and carried out. Changes could relate to the mission, strategy, objectives, people, tasks, work roles, technology, structure, corporate culture, or any other aspects of the organization. Well thought out changes have to be carefully implemented with participation of the members who will be affected by the change. Changes incorporated too quickly without adequate preparation will result in resistance to change.

Refreezing: It is the last phase of the planned change process. Refreezing ensures that the planned changes that have been introduced are working satisfactorily, that any modifications, extra considerations, or support needed for making the changes operational are attended to, and that there is reasonable guarantee that the changes will indeed fill the gap and bring the system to the new, desired state of equilibrium. This necessarily implies that the results are monitored and evaluated, and wherever necessary corrective measures are taken up to reach the new goal. If the refreezing phase is neglected or temporarily attended to, the desired results will not ensure and the change may even be total disaster.

Fig 4.1 Shows Diagrammatically Lewin's Process of Organizational Change:



2) The Continuous Change Process Model

The Lewin's model is very simple and straight forward. However, it doesn't deal with several important issues. The continuous change process model treats planned change from the perspective of top management. It perceives that certain forces or trends call for change and the issue is subjected to the organizations usually problem solving and decision making process. Usually, top management defines its goals in terms of what the organization or certain process or outputs will look like after the change. Alternatives for change are generated and evaluated, and an acceptable one is selected. The brief summary of the continuous process model of the organization change is presented diagrammatically as follow:

➢ **Strategies for Planned Change**

As it was stated right at the start of this chapter, change is becoming a fact of life. The success or failure of change rests not only on accurate identification of the problem and successful reduction of resistance to change but also on the appropriateness of the selected strategy for implementing the change. Understanding the problem is not enough, nor is having employees who are willing to change. Managers must make the right selection among a wide variety of strategies of change. The major approaches for strategies for planned change are:

- **Structural Approaches to Change**

This particular strategy is useful if the intended change is associated with the structure of the organization. Changes in an organization's structure can take several forms. Some of the more common techniques include the following:

✓ Making changes in the design of work to permit more specialization or enrichment
✓ Clarifying the job descriptions and role expectations

- ✓ Changing the basis of departmentalization
- ✓ Increasing or decreasing span of control. i.e. creating flat or tall structure
- ✓ Modifying the organization manual and its description of policies and procedures
- ✓ Clarifying coordination mechanism, such as policies and procedures
- ✓ Changing the power structure (centralization Vs decentralization)

(N.B these are areas of focus not just a list of strategies of techniques to be applied)

- **Technological Approach to Change**

The principal assumption underlying technological change is that improved technology or work methods can lead to more efficient operations, increased productivity and improved working conditions perhaps through the eliminating of more tedious tasks. Examples of technological approaches to change include the following:

- ✓ Changing the techniques used for doing work in order to change worker machine relations.
- ✓ Changing the equipment used in work. For example, by introducing robots or expert systems on an assembly line.
- ✓ Modifying production methods such as shifting from an assembly line method to an autonomous workgroup method.

- **People Centered Approaches to Change**

Strategies aimed at changing people tend to emphasize improving employee skills, attitudes or motivation. Individual change strategies take many forms, such as introducing personnel training programs in skills, communication effectiveness, decision making and attitude and motivation. Most such strategies rely on the basic model of individual change developed by Kurt lewin. It involves:

1. **Creating desire for change**- Before a change can occur; the individual must feel a need for it. This need can result from a perceived deficiency, actual dissatisfaction, or a desire for improvement.

2. **Unfreezing** – unfreezing occurs when a person's equilibrium is sufficiently disturbed so that he or she is motivated to attempt a new pattern of behavior. This can be accomplished either by increasing the pressure to change or by reducing some of the threats or resistance to change

3. **Changing** -changing involves the process by which a person is presented with a new pattern of behavior and adopts the pattern as his or her own.

4. **Refreezing** – at this stage the changed attitudes are integrated into the individual's personality in such a way that they become part of his or her way of thinking.

- **Resistance to Change**

Change is inevitable; so is resistance to change. Paradoxically, organizations both promote and resist change. Resistance may come from the organization or individuals or both. The discussion of each will be presented as follows:

I. Organizational Sources of Resistance

According to (Griffin, 2007) the following are identified as organizational source of resistance:

Over determination/ structural inertia- organizations have several ways designed to maintain stability. In other words, the structure of the organization produces resistance to change because it is the way designed to maintain stability. People who have already assumed the boxes might fight against not to lose the position.

Narrow focus of change- this is when any effort to force change in the tasks of individuals or groups failed to take into account the interdependencies among organizational elements such as people, structure, tasks and the information system.

Group inertia – when an employee attempts to change his or her work behavior, the group may resist by refusing to change other behaviors that are necessary to complement to the individuals changed behavior. In other words, group norms may act as a brake on individual attempts at behavior change.

Threatened expertise – A change in the organization may threaten the specialized expertise that individuals and groups have developed over the years. This is where the change is resided by the organization experts for it might replace other in their place.

Threatened power – any redistribution of decision making authority such as with reengineering or team based management may threaten an individual's power relationships with others.

Resource allocation – groups that are satisfied with current resource allocation methods may resist any change they believe will threaten future allocations.

II. Individuals Sources of Resistance

Individual sources of resistance to change are rooted in basic human characteristics such as needs and perceptions. Some of the individual sources of resistance:

Habit – People usually prefer to accept what they are accustomed with instead of learning an entirely new set of steps makes the job more difficult.

Security – Some employees like the comfort and security of doing things the same old way. People who believe their security is threatened by a change are ready to resist change.

Economic factors – the resistance become severe when employees feel change will make their jobs obsolete or reduce their unfamiliar.

Fear of the unknown – some people fear anything unfamiliar.

Lack of awareness – comes as a result of lack of proper and adequate information about the change.

Social factors – people may resist charge for fear of what others will think.

Summary of the two broader sources for resistance to change are presented as follow:

	Personal Sources	**Organizational Sources**
1	Misunderstanding of purpose, mechanics or consequence of change	1. Reward system may reinforce status quo
2	Failure to see need for change	2. Interdepartmental rivalry or conflict, leading to unwillingness to cooperate.
3	Fear of unknown	3. Sunk cost in past decisions and actions
4	Fear of loss of states, security, power etc resulting from change	4. Fear that change will upset current balances of powers between groups and departments.
5	Lack of identification or involvement	5. Prevailing organizational climate

	with change	
6	Habit	6. Poor choice of method to introduce change
7	Vested interests in status quo	7. Past history of unsuccessful change and their consequences
8	Group norms and role presumptions	8. Structural Rigidity

- **Overcoming Resistance to Change**

In the previous section, the possible causes for resistance to change were identified. On the other hand, it is natural for a change to be resisted. What should be done to overcome resistance to change? The following are suggested to overcome resistance to change.

a. Education and communication. If the source of resistance lies in misinformation or poor communication, resistance can be reduced through communication with employees to help them to see the logic of change.

b. Participation and involvement – It is difficult for individuals to resist a change decision in which they participated prior to making a change. Assuming that the participants have the expertise to make a meaningful contribution, their involvement can reduce resistance, obtain commitment, and increase the quality of the change decision.

c. Facilitation and support – change agents can offer a range of supportive efforts to reduce resistance. When employee fear and anxiety are high, employee counseling and therapy, new – skill training, or a short paid leave of absence may facilitate adjustments. Yet, it is time consuming and costly.

d. Negotiation and Agreement: It is sometimes necessary for a team leader to negotiate with potential resistance or exchange something of value for a lessening the resistance. For instance, if the resistance is from a few powerful individuals in the team, a specific reward package can be negotiated that will meet their individual needs. Though in some instances this may be the relatively easy way to gain acceptance, it is possible that this could be an expensive way of effecting changes as well. Also, if the use of this strategy becomes public knowledge, others might also want to try to negotiate before they accept the change.

e. Manipulation and Co-operation: The leader seeks to 'buy off' the key members who are resisting by giving them an important role in the change decision. The leader's advice is sought, not to arrive at a better decision but to get their endorsement. Some of the co-operating tactics include selectively sharing information and consciously structuring certain types of events that would win support. This can be a quick and relatively easy and inexpensive strategy to gain support. However, the purpose will be defeated if people feel they are being manipulated.

f. Explicit and Implicit Coercion: The leaders can force the members to go along with changes by threats involving loss or transfers of jobs, lack of promotion, etc. Such methods, though not uncommon, is more difficult to gain support for future change efforts. This strategy can be particularly resorted when changes have to be speedily enforced or when changes are of a temporary nature. Though speedy and effective in the short run, it may make people angry and resort to all kinds of mean behaviors in the long run.

4.4.2 Organizational Development (OD)

Organization development is the process of planned change and improvement of organizations through the application of knowledge of the behavioral sciences. Yet, OD is not an easily defined single concept. Rather, it is a term used to encompass a collection of planned change intervention built on humanistic-democratic values that seek to improve organizational effectiveness and employee well- being.

The OD paradigm values human and organizational growth, collaborative and participative process, and spirit of inquiry. The underlying values in most OD efforts are:

- **Respect for people-** Individuals are perceived as being responsible, conscientious, and caring. They should be treated with dignity and prospect.
- **Trust and support** -aimed at inculcating trust, authenticity, openness and a supportive climate.
- **Power equalization-** Effective organizations deemphasize hierarchical authority and control. OD is aimed at empowering people in the organization.
- **Participation-** The more those people who will be affected by a change are involved in the decisions surrounding that change, the more they will be committed to implementing

these decisions. In general, OD strongly suggests collaborative process of problem diagnosis. i.e. all the members of the organization who will be influenced by the problem should actively take a part in the diagnosis phase, which possibly extended to search for the problems

- **The Organization Development Process**

OD is not just one time incident to be introduced to the organization; it is more of an ongoing and process involving activities. The basic change processes used in organizational development are:

a. Initial diagnosis – the fundamental question to be raised at this stage is what is the basic problem? Can that problem be solved using organizational development techniques?

b. Data collection – once the areas of the problem are identified, the relevant data are collected through interviews and questionnaires to verify the initial diagnosis and suggest possible solutions.

c. Feedback and confrontation – the findings from the survey are fed back to the participants, discussed, and examined as they relate to the group.

d. Planning and problem solving- Problem solving groups are established to tackle major problem areas and goals.

e. Team building – Conscious efforts are made to develop work groups in to cohesive teams rather than isolated individuals who happen to work together.

f. Inter group development- efforts are made to build and solidify good working relationships among the various teams.

g. Follow up and evaluation- results are compared with the initial goals and steps are identified to ensure that resulting change.

The above steps involved in the OD are length and elaborated yet other authors in management prefer to classify the OD process in the following phases:

Diagnosis phase- at this stage the consultant should take a part in diagnosis of the chronic problem and should assist the management.

Develop action plan or program- at this stage a change intervention mechanism (strategy) will be developed and change agents actively take a part in developing action programs.

Implementing phase- apply the suitable change strategies identified.

Evaluating the implemented change- The ultimate purpose of OD is to create an ongoing capacity of an organization to solve problems stressing collaboration and cooperation. The evaluation will be made to check that the planned change is implemented as expected.

- **Managing Successful Organization Change and Development**

So far, a lot has been discussed concerning what is change; how change could be initiated; why change is resisted; how planned change could be introduced and implemented in an organization and related issues. Yet, this section will present what to be considered for a change to be successful. Thus, what should be considered for managing change successful? Here are some points:

Take a Holistic view- organization subsystems are interrelated and interdependent, therefore it is better to consider holistic view instead of a limited view of an organization. That is to mean, a holistic view with respect to organization change encompasses the culture and dominant coalition as well as the people, tasks, structure, and information subsystem.

Start small- to be successful it is usually advised that, systemized change in large organization should start small. A change could start with one team, usually executive team. The team can evaluate the change, make appropriate adjustments along the way, and most importantly, show that the new system works and gets desired results. Significant changes started small with one or two parallel teams, and then spread as other recognized the benefits of the change. When others see the benefits, they automatically drop their inherent resistance and join in. They can voluntarily join and be committed to the success of the change efforts.

Secure top management support- The support of top management is essential to the success of any change.

Encourage participation- Problems related to resistance, control and power can be overcome by broad participation in planning the change. Allowing their place in the new system.

Reward contributions- Employees who contribute to the change in any need to be rewarded. My personal observation in most instances attested that organizations usually just establish task forces and committees when intending to introduce change on top of their normal duties just as additional responsibility usually without any pay and almost insignificant contribution. Too often the only people acknowledged after a change efforts are those who tried to stop it. Those who quickly grasp new work assignments, work harder to cover what otherwise might not get done during the transition, or help others adjust to changes desire special credit. From behavioral perspective, individuals need to benefit in some way if they are to willingly help change something that eliminates the old, comfortable way of doing the job.

Consider international issue- Nowadays the world is becoming a global village due to advance in information technology and globalization. Especially for multinational organization it is advisable to consider international environment influence. Besides, to consider successful international practices, experience as a benchmark could possibly positively support the organization to implement change successfully. To sum up, in the current dynamic environment, managers must anticipate the need for change and satisfy it with more responsive and competitive organization systems.

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