

Manmohan Joshi

# Organisational Behaviour

MANMOHAN JOSHI

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# **ORGANISATIONAL BEHAVIOUR**

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# 1 CONCEPTS OF ORGANISATION AND BEHAVIOUR

## 1.1 THE ORGANISATION

People have lived in groups since the beginning of time and engaged in social and economic activities in order to satisfy human wants. These organised groups with formal, informal, or spontaneous relationships have been termed as 'organisations,' and they are the social entities. In other words, an organisation is simply people working together for a common goal.

Organisation has been defined in various ways:

According to Davis (1951), "organisation may be defined as any group of individuals, large or small, that is cooperating under the direction of executive leadership in accomplishment of certain common objectives."

Allen (1958) defined organisation as "the process of identifying and grouping of the work to be performed, defining and delegating responsibility and authority and establishing relationships for the purpose of enabling people to work most effectively in accomplishing objectives."

Mooney and Reiley (1939) said, "Organisation is the form of every human association for the attainment of a common purpose."

We may also define organisation in various other ways:

- An organisation is the structure and process by which a cooperative group of human beings allocates its tasks among its members, identifies relationships and integrates its activities towards common objectives.
- Organisation structure is designed to clarify who is to do what tasks and who is responsible for what results. Organisation means a formalized structure of roles and positions.
- An organisation structure is the way the organisation allocates its resources towards meeting its strategic aims. It is commonly defined by organisation charts. There are many structures that are in use, but no single structure is best for every company and for every period in its operation. Structures change and develop so as to meet the aims of organisation at any given time.



### 1.1.1 FEATURES OF MODERN ORGANISATION

In the distant past, organisations – social, economic, political, industrial etc. – were simple in structure, contents, goals and functions. But in modern times they have become complicated and complex on account of development of science and technology.

However, the organisations of all types have the following features in common:

- They are bigger and employ large number of people.
- Investment in terms of financial, material and other resources is huge.
- Activities are well-planned and goal oriented along with reviews and revisions at intervals.
- They have their own specific methods, procedures, systems and sub-systems.
- Various departments/sections perform their functions in an integrated way.
- Departments/sections are well-coordinated for better results.
- Interaction among departments/sections is continuous.

## 1.2 THE BEHAVIOUR

Behaviour as such is the physical reflection of thoughts in activities. Organisational behaviour specially refers to the human behaviour in organisations. It is the comprehensive study of behaviour of individuals and groups in organisations, and organisations themselves, as they act and interact to achieve the planned objectives.

According to Davis (1972), “organisational behaviour is the study and application of knowledge about human behaviour in organisations as it relates to other systems or elements, such as structure, technology and external social system.”

Krupp (1961) asserted that “organisational behaviour deals with micro aspect of the organisation that is individual and group behaviour in organisation.”

Thus when people of various personality traits join together in performing various jobs at workplace, organisational behaviour emerges as informal or formal behaviour of individuals and groups.

### **1.3 FEATURES OF ORGANISATIONAL BEHAVIOUR**

They may be interpreted in the following manner:

#### **1.3.1 DYNAMIC**

Organisational behaviour is highly dynamic and keeps on changing constantly. Quite often it is very difficult to predict what the employees will think and how they will react. A number of changes in rules, procedures, and methods of organisations – and also in technology – are to be introduced according to the specified changes. Some of these changes may be minor but others may be major in nature. The workforce has to adopt, adapt and move with the changes. This process involves a lot of behaviour adjustments and modifications. Hence the study of organisational behaviour is highly dynamic with its positive and negative reactions with reference to the changes.

#### **1.3.2 A COMPOSITE BEHAVIOUR**

Organisational behaviour is a composite behaviour. People working in an organisation differ in thoughts, tastes, ideas, mannerisms, language, religion, attitudes and several other factors. In spite of all these, organisation is a unified and molded unit. It can be said that organisational behaviour is a composite behaviour with the special distinction of unity in diversity.

#### **1.3.3 CLOSELY RELATED TO THE STRUCTURE OF ORGANISATIONS**

Organisational behaviour is closely related to the structure of organisations. There is a vast difference between the structures of various organisations. Some organisations are very large with thousands of workers employed nationally – or even internationally. On the other hand, some are quite small having 10 or 20 or 50 workers. While in large organisations the behaviour of people is highly specialized and diversified, in smaller ones the specifications of people are very much limited. The duties and responsibilities are numerous in smaller organisations. For example, a manager may look after all kinds of administrative jobs like finance, personnel, marketing etc. The structure is simple and the manager is able to have close interaction with all workers. Workers also know each other well and behave well.

#### **1.3.4 DAY-TO-DAY TECHNOLOGICAL CHANGES**

Continuous technological developments exert a constant pressure on the behaviour of the workers and the management team. They have to be alert and open to new developments at all times and take appropriate measures to keep their behaviour up to date in order to accommodate and adopt new methods and techniques in the organisational set up.

### 1.3.5 STANDARD OF LIVING

The standard of living keeps rising day by day, and people want to satisfy their desires for a lot of consumer durables such as T.V., air conditioner, car, a good house etc. This motivates workers at all levels to work more so that they can earn more for satisfying their needs. There are also constant negotiations between the employers and the employees regarding welfare measures, which in turn ultimately results in higher standard of living of workers.

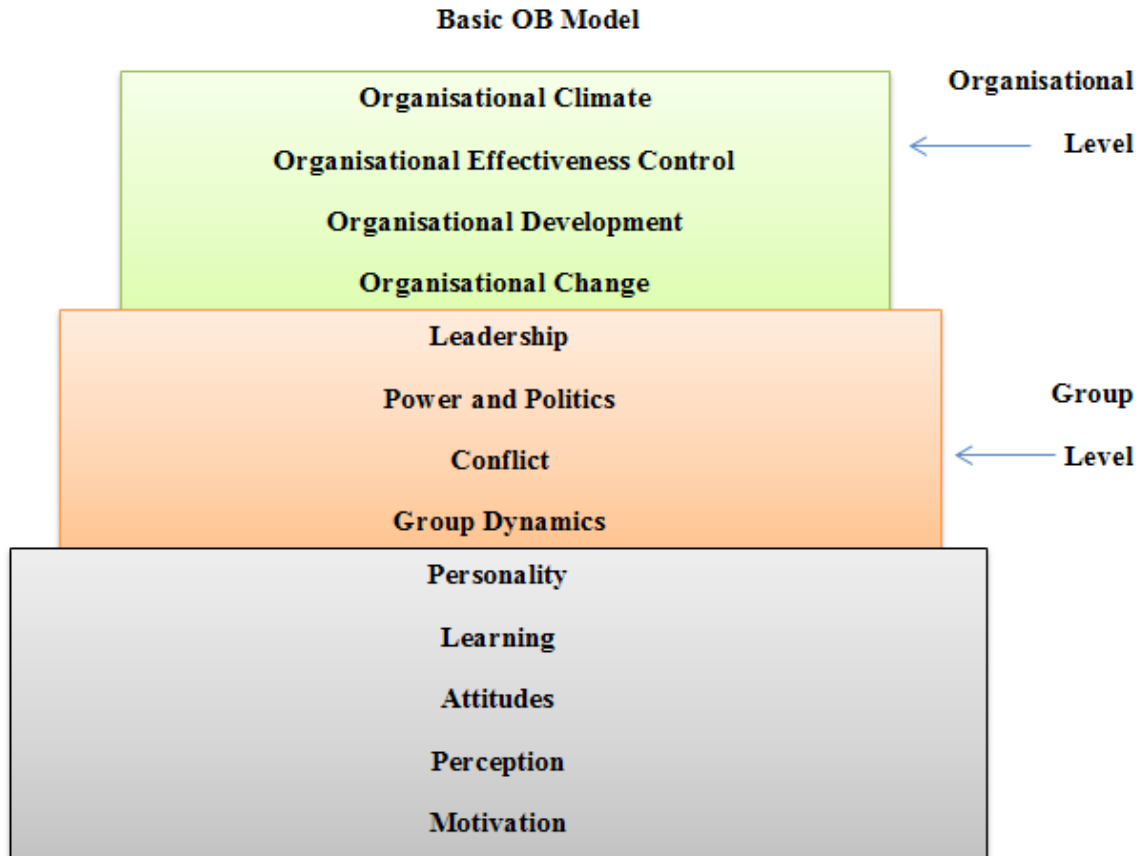
## 1.4 STUDY OF ORGANISATIONAL BEHAVIOUR BY TOP MANAGERS

There are several advantages of studying organisational behaviour by managers:

- **Learning the minds of workers:** It gives an insight into the minds of individuals as well as the goals of the groups in organisations. The top management can understand the strengths, weaknesses, threats and opportunities that exist in the organisation, and this enables them to take appropriate measures and actions to improve the productivity of the organisation.
- **Allocation and allotment:** It is possible for managers to make suitable allotment of work to the workers as per their abilities and skills.
- **Interpersonal relations:** Healthy interpersonal relationship processes can be infused among workers themselves as well as among employers and employees.
- **Prevention of industrial disputes:** Confrontations and conflicts among the workers and between the employers and employees can be minimized or avoided as far as possible.
- **Individual, group and organisation needs:** The organisation can identify ways and means to take care of the needs of individuals, groups and the organisational goals.
- **Morale, motivation and job satisfaction:** High morale, motivation and job satisfaction may be ensured among the employees.
- **Tension, stress and conflicts:** These may be reduced to the minimum possible on a continuous basis through appropriate steps.
- **Job enrichment, job redesign and job enlargement:** Continuous steps can be effectively taken to redesign, enrich and enlarge jobs so that the workers are motivated.

## 1.5 LEVELS OF ANALYSIS OF ORGANISATIONAL BEHAVIOUR

The following basic organisational behaviour model gives a clear picture of what is dealt in organisational behaviour as a subject matter of study.



## 2 ORGANISATIONAL THEORY

### 2.1 THE CONCEPT OF ORGANISATIONAL THEORY

Organisational theory can be defined as:

*“A set of related macro principles governing the structure of organisations and the behaviour of the people of all cadres, individually or in the groups in relation to the changing technology and environment.”*

Organisational theory covers almost all aspects of the organisation. According to Davis (1972), organisational behaviour is an academic discipline connected with understanding and describing complex human behaviour in an organisational environment and operations.

There are three types of organisational theory.

### 2.2 CLASSICAL ORGANISATIONAL THEORY

Haire (1959) is the chief architect of classical theory of organisation. He believes that:

- Classical organisation theory is built as an accounting model.
- Formal communications, defined tasks, accountability, and formalized procedures and practices only will contribute to the good relationship with minimum conflicts.
- Managers are said to be wise, kind, considerate, qualified and intelligent, and it is the workers who are to be dealt firmly.
- The theory emphasises a lot to the detection of errors and corrections after they have happened.
- Money is the main motivation for workers.
- The theory advocates that organisation is a machine and the workers are components. It is sufficient if the managers pay attention only to internal environment and not to outside environment, if they want to bring improvement in the organisation.

## 2.3 SCIENTIFIC MANAGEMENT THEORY

The first management theory is what is popularly referred to as Taylor's (1911) scientific management. At the turn of 19<sup>th</sup>–20<sup>th</sup> century, the most notable organisations were large and industrialized. Often they included ongoing, routine tasks that manufactured a variety of products. The United States highly prized scientific and technical matters, including careful measurement and specification of activities and results. Management tended to be the same. Taylor developed the 'scientific management theory' which espoused this careful specification and measurement of all organisational tasks. Tasks were standardized as much as possible. Workers were rewarded and punished. This approach appeared to work for organisations with assembly line and mechanistic routine activities. Many experts stamped this theory as narrow and termed it as 'Machine Theory.'

However, this theory had two features:

- The tasks being referred to are largely repetitive mechanical in nature, which can be divided and sub-divided.
- The tasks do not require any problem solving capabilities, and this theory devoted much attention to standardizing the methods.



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## 2.4 ADMINISTRATIVE THEORY

Fayol's (1930) administrative theory mainly focuses on the personal duties of management at a much more granular level. In other words, his work is more directed at the management layer. Fayol believed that management had some principal roles: to forecast and plan, to organize, to command, to coordinate, and to control. Fayol developed fourteen principles of administration to go along with management's five primary roles. As quoted by Stoner and Freeman (1987), these principles are: specialization, authority with responsibility, unity of command, unity of direction, subordination of individual interest to the general interest, remuneration of staff, centralization, line of authority, order, equity, stability of tenure, initiative, and esprit de corps. Fayol believed that personal effort and team dynamics were part of an 'ideal' organisation.

## 2.5 BUREAUCRATIC THEORY

Max Weber (1968) attempted to do for sociology what Taylor had done for industrial operations. He embellished the scientific management theory with his bureaucratic theory. He focused on dividing organisations into hierarchies, establishing strong lines of authority and control. He suggested organisations develop comprehensive and detailed standard operating procedures for all routine tasks. He developed a set of principles for an 'ideal' bureaucracy. These principles included: fixed and official jurisdictional areas, a firmly ordered hierarchy of super and subordination, management based on written records, expert training, official activity taking priority over other activities, and that management of a given organisation follows stable, knowable rules. The bureaucracy was envisioned as a large machine for attaining its goals in the most efficient manner possible.

### 2.5.1 EVALUATION OF CLASSICAL THEORY

The classical theorists talked a lot about the division of labour, strict compartmentalized authority oriented organisational structure, span of control, and others. But many others proved later that human relationship, interrelationship, and group life played a vital role in organisations.

According to classical theory, almost both the lower and top level staff function independently. Top level management makes decisions and sets goals and passes them on to the lower level workforce without consulting them. However, the workers in all the organisations want to know about the setting of goals, causes for failures if any, and the ways to achieve the goals.

## 2.6 NEO-CLASSICAL THEORY OF HUMAN RELATIONS MOVEMENT

Eventually, unions and government regulations reacted to the rather dehumanizing effects of scientific and bureaucratic theories. In the 1920s more attention was given to individuals and their unique capabilities in the organisation. A major belief was that the organisation would prosper if its workers prospered as well. Human resource departments were added to organisations. The behavioural sciences played a strong role in helping to understand the needs of workers and how the needs of the organisation and its workers could be better aligned. This prompted the development of many other approaches some of which focus on psychological and sociological aspects of life in a work situation. Elton Mayo and Mary Parker Follet are recognized for experimenting on these two aspects, which they did in Hawthorne Plant of Western Electric Company in Chicago in later part of 20<sup>th</sup> century. The prior thought was that pleasant physical conditions like heating, good furniture and lighting were the factors contributing to satisfying output in organisations. Later, these were proved not to be the only factors. Psychological factors like job satisfaction and attitudes were also seen as important. Mary Parker Follet studied human behaviour in a workplace and came up with four principles of management coordination: involving direct contact between those involved, commencing as early as possible, being continuous, and being concerned with all the various elements in the work situation. These steps show concern for both production and people.

The results of these experiments showed that group dynamics and social makeup of an organisation were an extremely important force for or against higher productivity. This outcome caused the call for greater participation for the workers, greater thrust and openness in the working environment, and a greater attention to teams and groups in the workplace. While Taylor's inputs were the establishment of the industrial engineering, quality control and personnel departments, the human relations movement's greatest impact came in what the organisation's leadership and personnel department were doing. The seemingly new concepts of 'group dynamics,' 'team work,' and 'organisational social systems,' all stem from Mayo's work in mid-1920s.

### 2.6.1 MCGREGOR'S THEORY 'X' AND THEORY 'Y'

McGregor (1987) postulated his ideas as contained in 'Theory X' and 'Theory Y'. Using human behaviour research, he noted that the way an organisation runs depends on the beliefs of its managers.

*(This theory has been discussed in detail later under 'Motivation.' See: 5.3.7.)*



### **2.6.2 EVALUATION OF NEO-CLASSICAL THEORY**

The following critical evaluation has been done by social thinkers:

- Some assumptions are highly imaginary. For example, an assumption is that there is solution to each and every problem to the satisfaction of all the parties concerned. But it is far from truth. Often personnel in organisations have conflicting interests.
- The various formats and structures suggested by neo-classical theorists have limitation in applications. They are not universal. Specific structures and formats cannot suit all types of organisations.

## **2.7 CONTEMPORARY THEORIES**

### **2.7.1 CONTINGENCY THEORY**

It asserts that when managers make a decision, they must take into account all aspects of the current situation and act on those aspects that are essential to the situation at hand.

### **2.7.2 MODERN ORGANISATION THEORY OR SYSTEMS THEORY**

The systems theory has had a significant effect on management science and understanding of organisations. A system is a collection of parts unified to accomplish an overall goal. If one part of the system is removed, the nature of the system is changed as well. A system can be looked at as having inputs (e.g. resources such as materials, money, technologies, people), processes (e.g. planning, organizing, motivating, and controlling), outputs (products or services), and outcomes (e.g. enhanced quality of life or productivity for customers/clients). Systems share feedback among each of these four aspects of the system. The effect of systems theory is that it helps managers to look at the organisation more broadly. It has also enabled managers to interpret patterns and events in the workplace i.e. by enabling them to recognize the various parts of the organisation, and, in particular, the interrelations of parts.

### **2.7.3 TEAM BUILDING THEORY**

This theory emphasises quality circles, best practices, and continuous improvement. It is a theory that mainly hinges on team work. It also emphasises flattening of management pyramid, and reducing the levels of hierarchy. Finally, it is all about consensus management i.e. involving more people at all levels in decision making.

### 2.7.4 ORGANISATION IS A DYNAMIC SYSTEM

The modern organisation theory consists of the following components:

- **Individuals:** Individuals form the important parts of the organisation. They have varied experiences, motives, likes, dislikes, attitudes etc. Individuals provide energy to matter and information.
- **Formal organisations:** Every organisation is a formal set up with its own policies, rules, and procedures.
- **Informal organisations:** Informal groups and organisations are formed outside the organisation. They do have written or oral norms and rules, and play a vital role in productivity.
- **Hierarchy structure:** Every organisation has its own hierarchy structure. Each person is assigned a role with their own responsibilities and accountabilities.
- **The work situation or the physical environment:** Technology, machinery, methods of doing the job, ventilation, light and other physical environment affect the skills, attitudes, motivations and processes.

### 2.7.5 GOALS OF THE ORGANISATION

Each organisation as a system and also as a sub-system strives to achieve certain goals which require interaction, stability, adaptability and growth.

### 2.7.6 THE NATURE OF SUB-SYSTEMS IN THE ORGANISATION

Modern organisation is a dynamic system which consists of interacting, and interrelated and interdependent sub-systems. These sub-systems have been classified into three types:

- **Technical sub-system:** The person who has to perform a task has to perform certain specific functions as per the technical sub-system. The functions are arranged in a systematic way. In order to perform the task, the person has to play a specified role involving decision making, communication, and other functions. The technical sub-system provides all such requirements.
- **Social sub-system:** It refers to the interpersonal relationship among the workers and the higher-ups. It also refers to the formal and informal groups in the organisation. In short, the relationship between one staff and another is viewed through the social sub-system.
- **Power sub-systems:** Power plays a dominant role in organisations. Power is the capacity to induce and influence. Power is used to control and direct the activities, and is derived formally and informally. The sources of power are many such as formal, locational, expertise, knowledge, qualifications, importance of the job, proximity to the power source etc.

## 3 ORGANISATIONAL CLIMATE

### 3.1 MEANING

Organisational climate is the synthesis of the culture and performance of various departments in the organisation. It reflects the nature of the organisation on the following criteria:

- General discipline;
- Amicability;
- Treatment of workers;
- Achievement of targets set;
- Profits;
- Future vision;
- Adoption of modern technology.

Organisational climate is the index of the organisation's strengths, weaknesses, threats and opportunities. According to Schnieder and Snyder (1975), "organisational climate is the summary perception which people have about an organisation. It is thus a global expression of what the organisation is."

It is also believed by Forehand and Gilmer (1964) that organisational climate refers to a set of characteristics which:

- Distinguishes one organisation from another,
- Relatively endures over a period of time, and
- Influences the behaviour of people in organisations.

### 3.2 FACTORS BEHIND ORGANISATIONAL CLIMATE

The following factors generally affect the organisational climate.

#### 3.2.1 THE ORGANISATION AND BASIC PHILOSOPHIES

The philosophies that the company adopts play a crucial role in organisational climate. The adoption of the following policies ensures a sound and healthy organisational climate in a company:

- Complete autonomy to managers, supervisors and workers;
- Maximum utilization of all the resources – human, time and material;
- Freedom of expression through feedback and suggestions;
- Quality circles;
- Workgroups;
- Equal opportunities;
- Impartial policies and their implementation.

### **3.2.2 HIERARCHICAL STRUCTURE AND THE DELEGATION OF POWERS**

The structure of hierarchy and the delegation of power have a direct link with organisational climate. The organisation should not have too many tiers of managerial cadres with close supervision methods. Less managerial staff with more delegated powers is likely to result in a healthy organisational climate.

### **3.2.3 THE METHOD OF MANAGERIAL PROCESS WITH PARTICIPATION BASE**

The managerial process is a combined process of communication, motivation, leadership, decision making, conflict resolution, performance appraisal etc. The personnel resources as a whole should have the freedom and opportunities to participate in all such processes in order to have a favourable and positive organisational climate.

### **3.2.4 INFRASTRUCTURE AND OTHER FACILITIES**

The physical environment such as location, physical stability, size and weather of the city, availability of various technologies, and provision of transport and housing facilities influence organisational climate. Higher quality of infrastructure facilities results in a healthy organisational climate.

### **3.2.5 VALUES AND NORMS**

The companies which practice ethical values always have good organisational climate.

### **3.2.6 FLEXIBLE MANAGEMENT**

Management should not be rigid but flexible to accommodate the ideas, aspirations, and needs of individuals without any damage to the organisational interest. Flexibility in handling issues of the organisation enhances positive climate in the organisation.

### **3.2.7 ADOPTION OF MODERNIZATION PROGRAMMES**

Organisations should go for modernisation programmes without any hesitation so that the workers and work methods are not outmoded. The scientific culture and the environment depend on the willingness of the organisation to adopt modern technologies and scientific advancements.

## **3.3 IMPORTANCE OF ORGANISATIONAL CLIMATE**

Just as a good weather or climate is needed for the prosperity of a country, a good organisational climate is very important for the image and performance of the organisation. The prosperity of an organisation depends on the favourable organisational climate which provides a lot of satisfaction to workers. Healthy organisational climate is a strong source of motivation, and it inculcates effective group behaviour among the various groups in the organisation.

### 3.3.1 MEASUREMENT OF ORGANISATIONAL CLIMATE

Many questionnaires and instruments have been devised to measure the organisational climate. Litwin and Stringer (1968) have developed a nine-point questionnaire. These points are:

- Structure
- Responsibility
- Reward
- Risk
- Warmth
- Support
- Standards
- Conflict
- Identity

They have concluded that different management approaches are responsible for different organisational climate, and that the organisational climate affects motivation and morale, performance and job satisfaction to a large extent.

Likert (1932), an expert in organisational behaviour, has developed a scale on administration, which shows the link between the behaviour conditions and the management styles.

Likert scale covers seven aspects:

- The leadership style in use;
- Motivational dimensions;
- Communication problem;
- Interaction-influence process;
- Decision making process;
- Goal setting;
- Control mechanisms.

The questionnaire contains questions to be marked on a continuous basis from autocratic to more participative human-oriented climate. The existing organisational climate is assessed through the questionnaire, and suitable changes can be introduced, if the organisational climate is found to be inadequate.

# 4 ORGANISATIONAL COMMUNICATION

## 4.1 MEANING

Everyone uses communication skills – when we use them at home with our families, in the workplace with our bosses and co-workers, on our computers when we answer emails, and on the telephone when we speak to people.

Communication is one of the most basic functions in organisation. It means interacting with others:

- To promote understanding;
- To achieve a result of some kind;
- To pass information to another person so that he/she can take action.

Communication may be defined in many ways. According to Cummings (1987), “the word communication describes the process of conveying messages from one person to another, so that they are understood.”

Allen (1958) describes communication as “sum of all the things one person does when he wants to create understanding in the mind of another. It involves a systematic and continuous process of telling, listening and understanding.”

In simple terms, communication is:

- Information transmitted;
- A verbal or non-verbal message;
- A process by which information is exchanged between individuals through a common system of symbols, signals, or behaviour.

The information does not necessarily need to be hard facts. Sometimes just a gesture, a show of emotion, a raised eyebrow, or even a shrug of the shoulder can act as our means of communication.

## 4.2 OBJECTIVES OF COMMUNICATION

An organisation depends on communication to achieve organisational objectives. According to Dobson (2000), “nowhere is effective communication more important than at work. Vital information needs to be given, received, exchanged and understood hundreds of times in every working day. Many business transactions go wrong simply because of poor communication between the people concerned.”

Since managers and staff work together, all their actions, policies, rules, instructions and procedures must pass through some sort of communication channel. The objectives of communication are:

- **Conveying the right message:** to provide information and understanding which are necessary for group efforts;
- **To change attitude:** to foster an attitude which is necessary for motivation, cooperation and job satisfaction;
- **Providing right information at the right time:** to discourage the spread of misinformation, rumours, gossip, and to release the emotional tension of workers;
- **Coordination of efforts:** to prepare the workers for change by giving them the necessary information;
- **Optimum realisation of resources:** to encourage ideas, suggestions from subordinates for improvement in the product and work conditions, for reduction in time or cost involved, and for avoidance of wastage of material;
- **Good industrial relations:** to improve labour-management relations by keeping in contact with each other;
- **Free flow of information for the right decisions:** to ensure free exchange of information and ideas as well as assisting all the employees in understanding and accepting the reasonableness of the status and authority of everyone in the organisation;
- **Status development:** to satisfy basic human needs such as recognition, self-improvement and sense of belongingness.

## 4.3 THE COMMUNICATION PROCESS

The communication process involves the sender who transmits a message through a selected channel to the receiver.

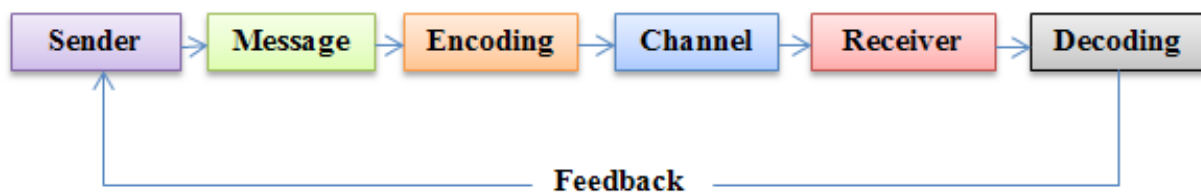
### 4.3.1 THE CHANNEL

The information is transmitted over a ‘channel’ that links the sender with the receiver. The channel may be a computer, the telephone or a television. At times, two or more channels are used. The proper selection of channel is vital for effective communication.

Not only must information or instructions or ideas be passed from one party to another, but the 'receiving' party must understand exactly what the 'sending' or 'transmitting' party had in mind. If one party does not clearly understand the meaning of a message – or misunderstands or misinterprets its meaning – errors and mistakes, disagreements and disputes, and even accidents, can occur.

The following diagram shows the importance of this concept.

**A Communication Process Model**



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### 4.3.2 VERTICAL COMMUNICATION

Vertical – up and down – communication must operate in both directions: ‘upwards’ as well as ‘downwards’ for the following reasons:

- It is important for employees to be able to make known quickly to those of their superiors concerned any complaints or grievances they might have, and of course, to have faith that attention will be paid to them and that action will be quickly taken.
- There is usually personal contact at the lower end of the communication network – that is, between junior managers, supervisors, foremen and their subordinates – and therefore with goodwill and understanding from both sides many minor grievances should be quickly resolved. However, if circumstances require, managers, foremen and superiors must not hesitate to communicate problems ‘upwards’ to those of their seniors who have the authority to make decisions and to take the action necessary under the circumstances.
- To enable top management to coordinate the activities of the entire organisation and to react quickly to circumstances which arise, what are called ‘lines of communication’ must be established, and operated efficiently. Such actions will ensure that not only regular and accurate reports, statistics etc. are received, but the information on matters requiring immediate attention is also received without delay. That, in turn, will enable decisions to be reached quickly and any necessary changes to plans, work schedules etc. to be implemented as early as possible.
- Another very important reason for establishing good lines of communication ‘upwards’ is that they encourage a flow of ideas and suggestions, on a wide range of matters, which might be beneficial to the organisation.
- The importance of ‘downwards’ communication lies in the fact that employees should be able to receive advice or assistance quickly from their superiors, as that creates a more content and secure workforce.
- If management’s approach is ‘authoritarian’ (that is, requiring obedience without question), then there could be a reluctance on the part of subordinates to accept communications coming down – and instructions might be only grudgingly complied with – while there will be little incentive to communicate upwards outside the reports etc. called for.
- Whenever possible or feasible, a system of ‘feedback’ should be built into the communication network so that the senders of communications can check that they are being received, understood and acted upon.

### 4.3.3 HORIZONTAL COMMUNICATION

In addition to vertical communication, there must also be 'horizontal' – sideways – communication. By this we mean a flow of information between personnel of about equivalent status in different departments of the organisation, for example, between its sales manager and production manager.

We can further elaborate as follows:

- This kind of information is used to speed information flow to improve understanding and to coordinate efforts for the achievement of organisational objectives. A great idea of communication does not necessarily follow the organisational hierarchy but moves across the chain of command. Environment in an organisation provides many occasions for oral cross communication. They range from the informal meeting of the company bowling or soccer team and lunch spent together to the more formal conferences, committees and board meetings.
- This type of communication also occurs when individual members of different departments are grouped into task teams
- Horizontal communication can only be effective if there is cooperation between the various departments and their senior executives (whose attitudes are likely to affect the attitudes of all their subordinates). Top management must encourage the spirit of cooperation and coordination among executives to avoid loss of efficiency in the organisation as a whole.
- It is important to note that horizontal communication is concerned with the flow of information, and NOT with the flow of instructions or authority. For example, a salesperson could perhaps 'request' a member of the accounts department to make a check on a customer's creditworthiness, but he/she should have NO authority to instruct the person to make the check, or to demand that it be made.
- It would be most tactless of the manager of one department to communicate directly with a subordinate in another department without the knowledge and consent of that subordinate's department head. And it could cause trouble if there was an attempt by a manager to give instructions to an employee of another department.

## 4.4 VERBAL COMMUNICATION

A great deal of information is communicated orally. Oral communication can be a face-to-face meeting of two people or a manager addressing a large audience; it can be formal or informal and it can be planned or accidental.

The advantages of oral communication are that it can provide for speedy interchange with immediate feedback; people can ask questions and clarify points. In face-to-face interaction, the effect can be noted. Formal or planned meetings can greatly contribute to the understanding of issues. However, the meetings can be costly in terms of time and money.

## 4.5 NON-VERBAL COMMUNICATION

Non-verbal communication takes several forms – mostly expressed through behaviour and attitudes, and body language.

- **Behaviour and attitudes:** Behaviour and attitudes operate together for most people. Our attitudes lead us to certain behaviour. If we have positive attitudes we tend to act positively, see options, and seek solutions to problems. If we have negative attitudes we may often feel defeated, assume the worst outcomes, and give up without exploring alternatives.
- **Body language:** We communicate a lot without saying a word. It is estimated that 75 percent of the messages we deliver are communicated non-verbally. We express ourselves using what is known as body language. Body language can be as simple as a frown on your face, a smile, your gestures, facial expressions, dress, and grooming style. Some convey hostility, others show open friendliness.

Researchers have documented some non-verbal expressions common to all cultures. However, cultures show these common expressions in different ways. These common expressions are: joy, fear, anger, surprise, and disgust. North Americans tend to make less eye contact than Arabs. Africans are taught to avoid eye contact with people of higher stature. Physical contact is natural for Italians, French, Latin Americans, and some Arabs. It is less common for Asians, Germans, and Scots.

## 4.6 BARRIERS TO COMMUNICATION

There are many barriers to effective communication.

### 4.6.1 BARRIERS TO EFFECTIVE LISTENING

Here are some barriers to effective listening:

- We can think faster than a speaker can talk, and jump to conclusions.
- We are distracted and allow our minds to wander.
- We lose patience, and decide we are not interested.
- We overreact to what is said, and respond emotionally.
- We interrupt.

### 4.6.2 OTHER BARRIERS

In communicating upwards, downwards, laterally and diagonally in the day-to-day work situation there are many barriers that have to be overcome, or at least recognized, in order to effectively transmit or receive messages. The first two shown below are organisation barriers while the others relate to human characteristics:

- Physical distance between sender and receiver;
- Complexity of the organisation, the number of levels and channels through which information must pass;
- The indifference of the individual to the difficulties associated with communication;
- The tendency of the sender to disregard any feedback which reflects unfavourably on him/her;
- Failure to listen;
- Human intolerance which is shown in unwillingness to consider any view which does not match and support our own;
- Status barriers;
- Emotional barriers.

## 4.7 OVERCOMING BARRIERS

In order to overcome barriers to effective communication and understand the true meaning of the message that comes through a particular communication, we need to filter the message.

### 4.7.1 IDENTIFYING COMMUNICATION FILTERS

There are three types of filters which only allow a portion of the message to get through. As a result, we only receive part of the message and, often, only the part that we want to hear.

- **Attention filters:** Physical distractions such as:
  - **Noise:** other people talking, telephone ringing, traffic, music;
  - **Environment:** too hot, too cold, poor lighting;
  - **Interruptions:** people, telephones;
  - **Timing:** trying to talk to someone when they are about to go somewhere or are in the middle of a job.
- **Emotional filters:** These are inherent in the speaker and probably unknown to the other person:
  - **Prejudice:** dislike of the other person, the way they are dressed, the message itself;
  - **Status:** the other person is higher or lower in the organisation hierarchy, which can affect the way in which you speak and listen to them;

- **Experience:** if previous communication with a person has resulted in an unpleasant experience, you will be wary when approaching the next time, not wishing to repeat the experience;
  - **Assumptions:** assuming what the message will be and thus not listening properly;
  - **Values and beliefs:** we all have our own codes regarding morals, religion, and politics and so on. If the message transgresses these standards, we are likely to switch off.
- **Word filters:** Certain words and phrases can cause us to stop listening to the person who utters them:
    - **Criticism:** few of us like to be criticised – “This is not the way to approach the problem!”
    - **Moralizing:** “You shouldn’t have planned this way!”
    - **Ordering:** “Complete the work today without fail.”
    - **Threatening:** “If you don’t abide by my instructions, you will have to face serious consequences.”
    - **Advising:** “I suggest that you...”
    - **Reassuring:** “Never mind, try another approach and it will be OK.”
    - **Jargon:** unless the listener understands the jargon, they will wonder what it means and will not be listening to the rest of the message.

#### 4.7.2 REDUCING THE FILTERS

Even one filter can reduce the effect of or distort communication but in most instances, two or more are operating at the same time. Being aware that they exist is half the battle won in reducing the effect of filters:

- It is not always possible to eliminate attention filters, but they can be reduced. If the proposed conversation will take more than a few minutes, find somewhere quiet to hold it and let it be known that you want no interruptions. It is simple enough to get your timing right. If someone approaches you at an inconvenient time, politely tell them so and arrange to meet later.
- You can do little about other people’s emotions, but try to put your own on hold when talking and listening to others. If you sense emotional filters becoming barriers, keep your conversation brief and to the point.
- Take care over the words and phrases that you use. How would you respond as the listener? If you are at the receiving end, question the speaker, and ask him/her to justify their comments.

## 4.8 KEY ELEMENTS OF EFFECTIVE COMMUNICATION

Effective communication in the work place happens with effort. The effort must include participation and agreement between managers/supervisors and employees. Each must work with the other to achieve the objectives. The following elements are designed to help in improving skills of communication while dealing with superiors, subordinates and associates:

- **Seeking to clarify ideas before communicating:** The more systematically we analyze the problem or idea to be communicated, the clearer it becomes.
- **Examining the true purpose of each communication:** Before communicating it is better to identify our most important goal and then adapt our language, tone and total approach in order to achieve that specific objective.
- **Considering the total physical and human setting:** We must be constantly aware of the total setting in which we communicate. Like all living things, communication must be able to fit in the environment.
- **Consulting with others, where appropriate, in planning communications:** Such communication often helps to lend additional insight and objectivity to the message.
- **Being mindful, while we communicate, of the overtone as well as the basic content of the message:** Our choice of language – particularly our awareness of the fine shades of meaning and emotion in the words we use – predetermines the reactions of our listeners.
- **Taking the responsibility, when it arises, to convey something of help or value to the receiver:** Consideration of the other person's interest on the part of the manager/supervisor will endear him/her to others.
- **Following up communication:** We must make certain that every important communication has a 'feedback' so that there is complete understanding followed by appropriate action.
- **Communicating for tomorrow as well as today:** While communications may be aimed primarily at meeting the demands of an immediate situation, they must be consistent with long range interests and goals.
- **Being sure that our actions support our communication:** In the final analysis, the most persuasive kind of communication is not what we say but what we do.
- **Seeking not only to be understood but to understand – being a good listener:** Listening is one of the most neglected skills in communication. It demands that we concentrate not only on the explicit meaning another person is expressing but also on the implicit meaning, unspoken words, and undertones that may be far more significant.

## 4.9 LISTENING – THE ESSENCE OF COMMUNICATION

The construction of oral and written messages is only one part of the communication process. The best message is of little avail unless the person at the receiving end listens or reads and makes an effort to understand. We often speak without listening and speak when we ought to be listening. And we frequently fail to find readers for the avalanche of words that make up the memoranda, letters and reports of the organisation world. A partial solution is to speak less and say more and to write shorter, fewer and better messages.

Listening is really where all good communication begins. Misunderstanding what another person is saying is one of the biggest obstacles to communication. Each of us sees the world in a unique way, and we usually assume that everyone sees it the same way we do. Most people are born with good hearing, but not good listening skills. Listening must be learned. Listening is a mental process requiring effort, and we can learn how to be good listeners. First, we need to understand what the barriers are to good listening skills. Then we can identify ways to improve these skills.

### 4.9.1 HOW TO BE A BETTER LISTENER

We listen more than any other human activity except breathing! There are some simple steps to becoming a better listener, but they take practice to achieve results. Here are some ways to listen better whether in a large group or one-to-one:

- Be patient for the entire message.
- Be aware of speech cues (who, what, where, when, why, how).
- Listen for ideas, not just facts (stories, reasons, goals help us remember facts).
- Try to understand the feeling the person is expressing as well as the intellectual content.
- Restate the person's feeling briefly but accurately. At this stage you simply serve as a mirror and encourage the other person to continue speaking.
- Occasionally observe silence. This allows you to give your undivided attention to the other person. You may give some non-verbal cues that you are listening, such as nodding your head, smiling, opening or closing your eyes.
- Allow time for the discussion to continue without interruption and try to separate conversation from mere official communication of company plans.
- Avoid direct questions and arguments about fact.
- Listen for what is left unspoken, evasions of pertinent points or perhaps too ready agreement with common clichés.
- Don't get emotionally involved. Try simply to understand first and defer evaluation until later.

# 5 MOTIVATION

## 5.1 MEANING

Motivation is the will to act. What we call 'motives' are the reasons why people act in certain ways. Motivation is a prime factor that contributes to the success and survival of organisations.

According to Shartle (1956), "motivation is the reported urge or tension to move in a given direction or to achieve a certain goal."

Jucius (1975) states "Motivation is the act of stimulating someone or one's own self to get a desired course of action, to push the right button to get desired action."

Filippo (1961) has rightly said that "motivation is the process of attempting to influence others to do your will through the possibility of gain or reward."

## 5.2 IMPORTANCE OF MOTIVATION IN ORGANISATIONAL BEHAVIOUR

The process of motivation is applicable to all cadres of employees – workers, supervisors, managers – and in all walks of life. Nobody works properly without adequate motivation. Motivation is not only overt but also covert in nature. Hence experts in organisational behaviour recognize the importance of motivation and accord priority to the concept.

## 5.3 THEORIES OF MOTIVATION

There are various theories of motivation to work advocated by psychologists and sociologists.

### 5.3.1 MASLOW'S NEED HIERARCHY THEORY

The theory by Abraham Maslow (1943) argues that individuals are motivated to satisfy a number of different kinds of needs, some of which are more powerful than others. Maslow argues that until these most powerful needs are satisfied, other needs have little effect on an individual's behaviour. In other words, we satisfy the most powerful needs first and then progress to the less powerful ones. As one need gets satisfied, and therefore, less important to us, other needs come up and become motivators of our behaviour.

Maslow represents this prepotency (being more powerful than others) of needs as a 'hierarchy,' in figure 5/1 given below. The most powerful needs are shown at the bottom of the pyramid, with powerfulness decreasing as one makes progress upwards.





Fig. 5/1

- **Self-actualisation needs:** reaching your maximum potential, doing your best thing.
- **Esteem needs:** respect from others, self-respect, recognition.
- **Social needs:** application, acceptance, being part of something.
- **Safety and security:** physical safety, psychological safety.
- **Physiological needs:** hunger, thirst, rest.
- **Need mix:** An important premise of the need hierarchy is that as one need is basically fulfilled, the next most important need becomes dominant and dictates individual behaviour. Though this theory cannot be viewed as an all-or-nothing framework, we should regard the hierarchy as useful in predicting behaviour on a high or low probability basis.

### 5.3.2 ALDERFER'S ERG THEORY

Alderfer's (1969) ERG Theory is an important development over Maslow's Need Hierarchy. He states that human behaviour is primarily caused to fulfil three important needs:

- **Existence needs:** They correspond to Maslow's physiological – and to some extent safety and security – needs. They refer to the inherent urge to fulfil the minimum requirement for a fair existence in the world.
- **Relatedness needs:** They should be roughly equated with social needs of Maslow's need hierarchy. They include the desire to interact and socialize with others so as to get affection from them.
- **Growth needs:** They are similar to Maslow's esteem and self-actualisation needs. They urge the person to get recognition from others for his/her competencies, including the desire to create something on their own and to reach their full potential of development.



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There are two significant differences between ERG Theory and Maslow's need hierarchy:

- It recognizes that human needs at more than one level may be active at any point of time. This means that one may feel the pressure for satisfying both his/her existence and relatedness needs at the same time.
- There can be progression as well as regression in the movement from the base to the top of the hierarchy.

### 5.3.3 THE ACHIEVEMENT THEORY OF MOTIVATION

McClelland (1961), another psychologist, has suggested that human beings in general have three social needs:

- The need for affiliation;
- The need for power; and
- The need for achievement.

He has stated that people differ from one another according to which one of these three needs is more important.

- **The need for affiliation:** Like Maslow's social needs, the need for affiliation is a desire to have human companionship and acceptance. People with a strong need for affiliation, compared to the other two, are likely to prefer – and perform better – a job that details a lot of social interaction and offers opportunities to make friends.
- **The need for power:** The need for power might be defined as the desire to be influential in a group and to control one's environment. People with a strong need for power are likely to have superior performance, and they normally aspire to hold positions of authority.
- **The need for achievement:** The need for achievement, the best known of the three, reflects the desire to accomplish a goal or task more effectively than in the past. According to McClelland, people with a high need for achievement will have the following behavioural characteristics:
  - They formulate a concrete goal in such a way that it stretches their abilities and efforts.
  - They select a moderate goal.
  - They demonstrate a strong commitment to the goal.
  - They like to take personal responsibility for the outcome.
  - They actively explore their environment to create opportunities for achievement.
  - They often experiment with novel and instrumental activities in order to reach their goal.

### 5.3.4 HERZBERG'S MOTIVATION-HYGIENE THEORY

Herzberg (1959) argued that certain factors lead to job satisfaction while others lead to dissatisfaction. He identified these as 'motivator' and 'hygiene' factors respectively.

- **Motivators:** According to Herzberg, typical job motivators are:
  - The degree of career achievement;
  - The intellectual challenge of work;
  - Recognition of work by others;
  - The actual value of the work;
  - The actual level of job responsibility;
  - The opportunity for promotion.
- **Hygiene factors:** Herzberg identified hygiene factors as:
  - The restriction of management policies and procedures;
  - Technical/administrative aspects of supervision;
  - Salary structures;
  - Job conditions;
  - Relationship with management;
  - Work environment.

Herzberg's motivation-hygiene theory is generally well-received by practicing managers because of its relatively simple distinction between factors including positive job satisfaction or those causing reduced job satisfaction. Herzberg suggests that physiological, safety, social, and to some degree, esteem and self-actualisation needs can be satisfied with hygiene factors. The remainder of the esteem and self-actualisation needs can be satisfied with motivators.

### 5.3.5 THE EQUITY THEORY OF MOTIVATION

Adams (1963) argues that when individuals perceive a discrepancy between the effort put in and the rewards obtained for the effort, they resort to various means to restore the balance between the two. The imbalances can occur in the following ways:

High Effort            Low Reward

Low Effort            High Reward

Actually it is the first type of imbalance that creates motivational problems at work rather than the second. When the effort put in is seen as more than the reward obtained, the individual concerned tries to increase his/her reward and if they fail in their efforts, they reduce efforts to restore the balance. According to the Equity theory, demotivating apathy and non-involvement in work are the result of such perceived imbalance between effort and reward.

People's imbalance between effort and reward arises through comparisons between one's own balance in this respect and the balance in the case of others similarly placed doing similar jobs in one's own organisation or in other organisations.

### 5.3.6 EXPECTANCY THEORY

It was developed by Victor Vroom (1964). His motivation formula is simple yet a powerful one that can be expressed as follows:

$$\text{Motivation} = \text{Valence} \times \text{Expectancy}$$

- **Valence:** A person's preference for a particular outcome can be expressed as a valence. A person who feels attracted towards a goal will strive harder to achieve it.
- **Expectancy:** A person's perception of the probability that a specific outcome will follow from a specific act is termed expectancy.

Vroom has stated that the motivational force of an individual is a function of his valence and expectancy. This motivational model, unlike the Maslow and Herzberg models, stresses individual differences in motivation, and explains how goals influence individual effort. It made the managers to realise that motivation of subordinates will not improve their performance if their ability is low or perceptions of expectations are inaccurate.

### 5.3.7 MCGREGOR'S THEORY 'X' AND THEORY 'Y'

McGregor (1987) postulated motivational ideas as contained in 'Theory X' and 'Theory Y.' He noted that the way an organisation runs depends on the beliefs of its managers. 'Theory X' gives a negative view of human behaviour. It also assumes that most people:

- Are basically immature;
- Need direction and control;
- Are incapable of taking responsibility;
- Are viewed as lazy;
- Dislike work;
- Need a mixture of financial inducements;
- Need to be given threats of loss of their jobs to make them work ('carrot and stick mentality').

‘Theory Y,’ the opposite of ‘Theory X,’ argues that people want to fulfil themselves by seeking self-respect, self-development, and self-fulfillment at work as in life in general. The six basic assumptions of ‘Theory Y’ are:

- Work is as natural as play or rest;
- Effort at work need not depend on threat of punishment;
- Commitment to objectives is a function of rewards associated with their achievement;
- The average human being learns, under proper conditions, not only to accept but also to seek responsibility;
- High degree of imagination, ingenuity and creativity are not restricted to a narrow group but are widely distributed in the population;
- Under the conditions of modern industrial life, the intellectual potentials of the average human being are being only partly utilised.

The manager, whose assumptions about people fall closer to ‘Theory X,’ in order to achieve the organisational objectives, will tend to coerce the people in his/her managerial approaches towards them. On the other hand, the manager, whose assumptions fall closer to ‘Theory Y,’ will tend to encourage his/her people to develop and utilise their capabilities, knowledge, skills and ingenuity in trying to accomplish the organisational objectives.

## **5.4 IMPACT OF MOTIVATION THEORIES**

All motivation theories appear to approach motivation as a three-faced phenomenon composed of an individual’s desire for something, his/her perception of the path that will lead to attainment or satisfaction of that desire, and their belief that following that path will ultimately reward them for their efforts. However, one cannot expect an organisation to satisfy the totality of an individual’s needs during working hours.

## **5.5 ADVANTAGES OF MOTIVATED EMPLOYEES**

There are a number of advantages if the employees are motivated. Motivated employees:

- Perform well and achieve targets;
- Need less supervision and guidance;
- Motivate others in the organisation;
- Are creative and innovative;
- Attempt to solve problems.

## 5.6 MOTIVATIONAL FACTORS

Motivational factors which influence the employees can be divided into two categories – financial and non-financial:

- **Financial:**
  - Pay
  - Interest-free loan
  - Housing
  - Subsidised canteen facility
  - Uniforms
  - Overtime wages
  - Leave travel allowance
  - Medical facilities
  - Transport
  - Education subsidy for children
  - Recreational facilities etc.
- **Non-financial:**
  - Recognition
  - Appreciation
  - Humane treatment
  - Higher responsibilities
  - Challenging job
  - Encouragement
  - Job security etc.

It is the primary duty of the employers to provide the right type of motivation to the employees to boost up the production. A motivated workforce means enhanced productivity in any organisation.

## 6 LEADERSHIP

The organisation is made up of groups of people. An essential part of management is coordinating the activities of groups and directing the efforts of their members towards the goals and objectives of the organisation. This involves the process of leadership and the choice of an appropriate form of behaviour.

### 6.1 MEANING OF LEADERSHIP

Leadership might be interpreted in simple terms, such as 'getting others to follow' or 'getting people to do things willingly,' or interpreted more specifically as 'the use of authority in decision making.' It is interpersonal influence which is exercised in a situation and directed through the communication process towards the attainment of a specified goal. Tead (1935) says, "Leadership is that combination of qualities by the possession of which one is able to get something done by others, chiefly because through his influence they become willing to do it." It is often associated with the willing and enthusiastic behaviour of followers. Terry (1960) also thinks that leadership is "the ability of influencing people to strive willingly for mutual objectives."

Since leadership is an inspirational process, a leader influences long-term changes in attitude. It does not necessarily take place within the hierarchical structure, and many people operate as leaders without role definition. Leadership is related to motivation and the process of communication through which one person influences the behaviour of other people. The process of leadership is not separable from the activities of group. Effective leadership is a two-way process.

#### 6.1.1 LEADERSHIP RELATIONSHIP

- **A leader may:**
  - Be imposed;
  - Be formally appointed;
  - Be chosen informally;
  - Emerge naturally.
- **Leadership may be:**
  - **Attempted leadership:** when any individual in the group attempts to exert influence over other members of the group;
  - **Successful leadership:** when the influence brings about the behaviour and results that were intended by the leader;
  - **Effective leadership:** when successful leadership results in functional behaviour and the achievement of group goals.



- **Leadership may also involve:**

- Exercise through greater knowledge, expertise or reputation;
- Personal qualities or charisma;
- Manner of exercising authority;
- Adoption of a particular style of leadership.

- **Dynamic form:**

Leadership is a dynamic form of behaviour and there are a number of variables which affect it. According to McGregor (1987), “leadership is not a property of individual, but a complex relationship among these variables.” He has specified the following variables:

- Characteristics of the leader;
- Attitude, needs and other personal characteristics of group members;
- Nature of the organisation, such as its purpose, its structure, the tasks to be performed;
- Social, economic and political environment.

## 6.2 DIFFERENCE BETWEEN MANAGERS AND LEADERS

Leaders are there in every group. All the unions and workgroups have leaders. But all such leaders are not managers and they do not have managerial responsibilities and accountabilities. At the same time all the managers are not leaders. Managerial responsibility is by position but leadership is the contribution of several unwritten and undefined but specific qualities. Managerial duties are discharged effectively when managers possess leadership qualities.

## 6.3 GENERAL APPROACHES TO LEADERSHIP

Given below are some of the important studies that have been conducted on leadership.

## 6.4 TRAITS APPROACH

The basic premise behind trait theory was that effective leaders are born, not made. According to this theory, traits are innate, inherent personal qualities. It follows that if a leader is seen to possess certain traits, his/her leadership index can be read off a leadership meter. The following three conditions must be satisfied if traits should be unique determinants of the leadership index:

- The trait quality should follow a descending order as one traverses from the highest (top executives in leadership positions) to the lowest (employees) levels of the organisation system.
- There must be high correlation between the level of a manager's traits and the level of his/her success.
- The correlation between success and traits should be higher as one goes up the management hierarchy from bottom (employees) to top executive levels.

Early trait research was largely theoretical, offering no explanations for the proposed relationship between individual characteristics and leadership. It also did not consider the impact of situational variables that might moderate the relationship between leader traits and measures of leader effectiveness. As a result of the lack of consistent findings linking individual traits to leadership effectiveness, empirical studies of leader traits were largely abandoned in the 1950s.

## 6.5 LIKERT'S FOUR SYSTEM THEORY

Likert (1961) feels that the patterns or styles of leadership or management employed by a particular organisation can be categorised into four styles as:

- **System 1: Exploitative authoritative:** Authoritarian form of leadership that attempts to exploit subordinates.
- **System 2: Benevolent authoritative:** Authoritarian form of management but is paternalistic in nature.
- **System 3: Consultative:** Manager requests and receives inputs from subordinates, but maintains the right to make the final decision.
- **System 4: Participative:** Manager gives some direction but decisions are made by consensus and majority based on total participation.

Likert used a questionnaire to determine the style of leadership and management pattern employed in the organisation as a whole. The results of his studies indicate the most effective style of management to be System 4 and that the organisations should strive to develop a management pattern analogous to this system.

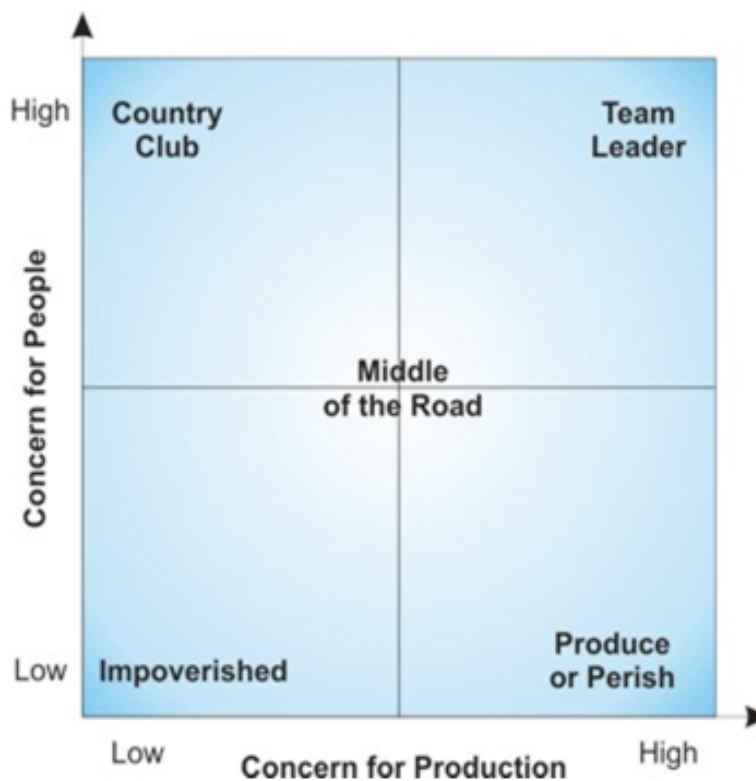
## 6.6 THE MANAGERIAL GRID THEORY

With the shift of leadership research away from leader traits to leader behaviour it was believed that the behaviour exhibited by leaders is more important than their physical, mental or emotional traits.

One concept based largely on the behavioural approach to leadership effectiveness was the Managerial Grid developed by Blake and Mouton (1964). The Grid combines “concern for people” with “concern for production.”

- **Concern for people:** This is the degree to which a leader considers the needs of the team members, their interests, and areas of personal development when deciding how best to accomplish a task.
- **Concern for production:** This is the degree to which a leader emphasises concrete objectives, organisational efficiency and high productivity when deciding how best to accomplish them.

Using the above parameters, Blake and Mouton defined the following five leadership styles in fig. 6/1.



**Fig. 6/1:** Blake and Mouton's Managerial Grid

- **Country Club Leadership – Low Production/High People (1, 9):** This style of leader is most concerned about the needs and feelings of members of his/her team. These people operate under the assumption that as long as team members are happy and secure they will work hard. What tends to result is a work environment that is very relaxed and fun but where production suffers due to lack of direction and control.
- **Produce or Perish Leadership – High Production/Low People (9, 1):** Also known as Authoritarian or Compliance leaders, people in this category believe that employees are simply a means to an end. Employee needs are always secondary to the need for efficient and productive work people. This type of leader is very autocratic, has strict work rules, policies, procedures, and views punishment as the most effective means to motivate employees.
- **Impoverished Leadership – Low Production/Low People (1, 1):** The leader is mostly ineffective. He/she has neither a high regard for creating systems for getting the job done, nor for creating a work environment that is satisfying and motivating. The result is a place of disorganisation, dissatisfaction and disharmony.

- **Middle-of-the-Road Leadership – Medium Production/Medium People (5, 5):** This style seems to be a balance of the two competing concerns. It may first appear to be an ideal compromise, but there is a problem in this, though. When you compromise, you necessarily give away a bit of each concern so that neither production nor people needs are fully met. Leaders who use this style settle for average performance and often believe that this is the most anyone can expect.
- **Team Leadership – High Production/High People (9, 9):** According to Blake and Mouton model, this is the pinnacle of management style. These leaders stress production needs and the needs of the people equally highly. The premise here is that employees are involved in understanding organisational purpose and determining production needs. When employees are committed to, and have a stake in the organisation's success, then needs and production levels coincide. This creates a team environment based on trust and respect, which leads to high satisfaction and motivation and, as a result, high production.

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## 6.7 CONTINGENCY OR SITUATIONAL THEORY

Situational theory of leadership proposes that the organisational or workgroup context affects the extent to which given leader traits and behaviour will be effective. According to Mullins (2002), the situation is the most important factor which determines the behaviour and nature of the leader's action.

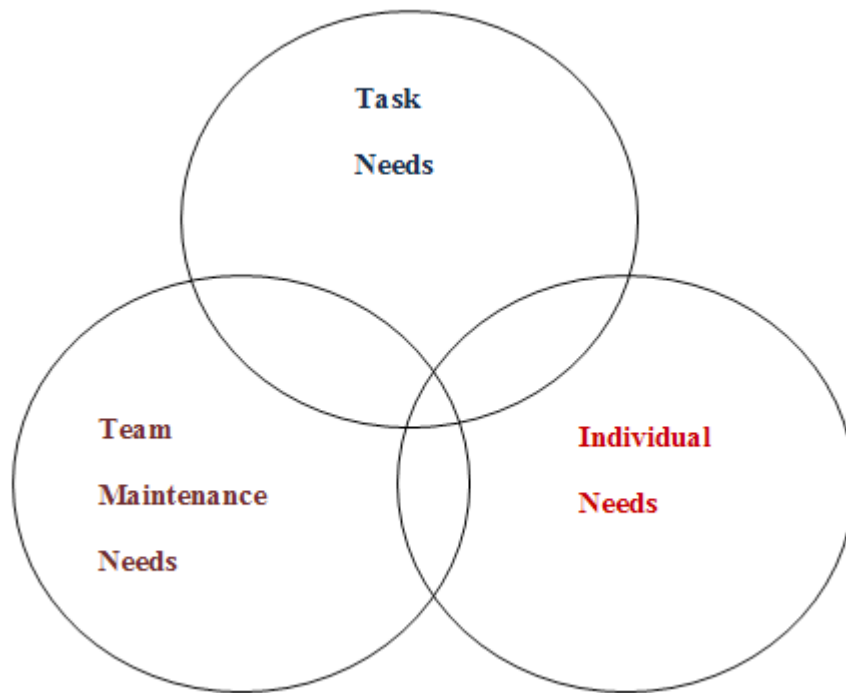
Hersey and Blanchard (1976) suggested that the contingency factor affecting leaders' choice of leadership style is the task-oriented maturity of subordinates. The theory clarifies leader behaviour into two broad classes of task-oriented and relationship-oriented behaviour.

Situational leadership is also closely linked to another factor of holistic leadership viz. the empowerment of followers. Like situational leadership, the empowerment of followers centres around the situation in which the leader finds himself/herself and leadership will be determined by this situation. The 'readiness' level of followers is important. According to Hersey and Blanchard (1976), "as followers move from low levels of readiness to higher levels, the combinations of task and relationship behaviour appropriate to the situation begin to change."

### 6.7.1 FUNCTIONAL (OR GROUP) APPROACH

This approach to leadership focuses on functions and content of leadership. Adair (1979) asserted that "the effectiveness of the leader is dependent upon three areas of need within the group: the need to achieve common task, the need for team maintenance, and the individual needs of group members."

This aspect is shown in Fig. 6/2 below.



**Fig. 6/2:** Interaction needs within the group

- **Task needs** involve defining group tasks, planning the work, controlling quality.
- **Team maintenance needs** involve inculcating team spirit, setting standards, having effective communication.
- **Technical needs** involve looking after personal needs, rewards, conflict resolution.

### 6.7.2 CONTINUUM OF LEADERSHIP BEHAVIOUR

Tannenbaum and Schmidt (1958) have stated that different combinations of situational elements require different styles of leadership. They suggest that there are three important factors or forces that must be considered in determining what leadership style is the most effective.

They are:

- Forces involving the manager;
- Forces involving the subordinates;
- Forces involving their situation.

All these forces are interdependent. Since they differ in their strength and interaction in differing situations, one style of leadership is not effective in all situations. Tannenbaum and Schmidt argued that there is a continuum of behaviour that the manager may employ depending on a particular situation. They further concluded that successful leaders are keenly aware of those forces that are most relevant to their behaviour at a given time. They accurately understand not only themselves but also the other individuals involved in the organisational and social environment, and are able to behave appropriately in the light of these perceptions.

### 6.7.3 PATH-GOAL THEORY

Path-goal theory of leadership, proposed by House (1971), draws heavily on expectancy motivation theory and high concerns for both people and work. This theory suggests that the performance of subordinates is affected by the extent to which the leader satisfies their expectations.

The main features are the following:

- **Dynamic leadership:**
  - Giving specific instructions;
  - Expecting subordinates to follow.
- **Supportive leadership:**
  - Friendly and approachable;
  - Concern for subordinates' needs.
- **Participative leadership:**
  - Consulting subordinates;
  - Evaluating their suggestions before deciding.
- **Achievement-oriented leadership:**
  - Setting challenging goals;
  - Seeking improvement in performance;
  - Confidence in their ability.

## 6.8 FUNCTIONS OF A LEADER

A leader's functions will vary according to the kind of group he/she is leading, and the rules set down by the organisation. However, there are certain functions that a leader is expected to perform. They are the following:

- **As executive:** top coordinator of the group activities and overseer of the execution of policies.
- **As planner:** deciding the ways and means by which the group achieves its ends. This may involve both short-term and long-term planning.
- **As policy maker:** the establishment of group goals and policies.

- **As expert:** a source of readily available information and skills, although there will be some reliance on technical expertise and advice from other members of the group.
- **As external group representative:** the official spokesperson for the group, the representative of the group and the channel for both outgoing and incoming communications.
- **As controller of internal relations:** determines specific aspects of the group structure.
- **As purveyor of rewards and punishment:** has control over group members by the power to provide rewards and punishments.
- **As arbitrator and mediator:** controls interpersonal conflicts within the group.
- **As exemplar:** a model of behaviour for members of the group, setting an example of what is expected.
- **As symbol of the group:** enhancing group unity by providing some kind of cognitive focus and establishing the group as a distinct entity.
- **As substitute for individual responsibility:** relieves the individual members of the group from the necessity of, and responsibility for, personal decision.
- **As ideologist:** serving as the source of beliefs, values and standards of behaviour for individual members of the group.
- **As father figure:** serving as focus for the positive emotional feelings of individual members and the object for identification and transference.
- **As scapegoat:** serving as a target for aggression and hostility of the group, accepting blame in case of failure.

It is important to understand that leadership resides in the functions and not a particular person. The various functions of leadership can be shared among members of the group. If a member provides a particular function which is relevant to the activities of the group, and accepted by group members, then in those circumstances this could become a leadership function.

## 6.9 STYLES OF LEADERSHIP

In work situation it has become increasingly clear that managers can no longer rely solely on the use of their position in the hierarchical structure as a means of exercising the functions of leadership. In order to get the best results from subordinates, the managers must also have regard for the need to encourage high morale, a spirit of involvement and cooperation, and a willingness to work.

Leadership style is the way in which the functions of leadership are carried out, and the way in which the manager typically behaves towards members of the group.



### 6.9.1 THE AUTHORITARIAN STYLE

It is where the focus of power is with the leader, and all interactions within the group move towards the leader. The leader exercises decision making and authority for determining policy, procedures for achieving goals, work tasks and relationships, control of rewards and punishments.

### 6.9.2 THE DEMOCRATIC STYLE

Here the focus is more with the group as a whole and there is greater interaction within the group. The leadership functions are shared with members of the group. The group members have a greater say in decision making, determination of systems and procedures.

### 6.9.3 A GENUINE LAISSEZ-FAIRE STYLE

With this style the leader observes that members of the group are working well on their own. The leader makes a decision to allow them freedom of action and to not interfere, but is readily available if help is needed. This is to be contrasted with the leader who could not care, who deliberately keeps away from the trouble spots and does not want to get involved. The leader just lets members of the group get on with the work on hand. This is more a non-style of leadership. It can perhaps be labeled as abdication.

### 6.9.4 THE SITUATIONAL STYLE

Leadership behaviour is determined by two main situational factors – the personal characteristics of subordinates, and the nature of the task:

- The personal characteristics of subordinates determine how they will react to the leader's behaviour and the extent to which they see such behaviour as an immediate or potential source of need satisfaction.
- The nature of the task relates to the extent that it is routine and structured, or non-routine and unstructured. For example, when a task is highly structured and the goals are readily apparent, attempts to further explain the job or to give directions are likely to be viewed by subordinates as unacceptable behaviour. However, when a task is highly unstructured or the nature of the goals is not clear, a more directive style of leadership behaviour is likely to be welcomed by subordinates.

Leadership behaviour is based, therefore, on both the willingness of the leaders to help subordinates and the needs of subordinates for help. Leadership behaviour will be motivational to the extent that it provides necessary direction, guidance and support, helps clarify path-goal relationships, and removes any obstacles which hinder the attainment of goals. By using one of the four styles of leadership behaviour the leader attempts to influence subordinates' perceptions and motivation, and smooth the path to their goals.

# 7 TRANSACTIONAL ANALYSIS

## 7.1 INTRODUCTION

The behaviour of human beings usually reflects their personality, motivation, intelligence, perception, attitudes and other mental processes. Their behaviour affects, and is affected by, other members of society. People do not always behave in the same manner. Their behaviour changes with age and other environmental situations. Behavioural scientists are interested in finding ways and means to control and structure this behaviour towards the benefit of both the organisations and the individuals.

## 7.2 TRANSACTIONAL ANALYSIS (TA)

The 'self' of a human being does not exist materially, and so it cannot be seen or touched. It is in abstract form but manifests itself in behaviour. Some behavioural scientists believe that it can be trained and structured to be amicable. Transactional analysis (TA) has been founded on this concept.

Human beings do not live in isolation. They live in society and interact with – and react to – groups such as social, religious, work etc. Their reactions are governed by the 'self' otherwise known as 'Ego Status.' TA deals with 'Ego' and other related concepts. It was originally founded by Eric Berne (1961), a Swiss psychiatrist for physiotherapy, and attempted to answer why people behave in different ways. Later this concept was developed and popularised by Berne, Harris and Jongeward (1964). TA has found acceptance with several sociologists, HR specialists, OB (Organisational Behaviour) experts, practicing managers etc.

## 7.3 FEATURES OF TA

TA has five features.

### 7.3.1 EGO STATES

According to Eric Berne, the Ego can be divided into three types:

- **Parent Ego:** Some people behave like a parent – always directing, guiding and criticizing others. When a person is encouraging and supporting others, he/she is said to be in the Nurturing Parent Ego state, and when he/she is criticizing or reprimanding others, he/she is said to be in Critical Ego state. Such people act and behave like parents.

Example: *"Follow the rules. Don't act as you like."*  
*"Don't cry. I am there to help you."*

- **Adult Ego state:** Some people always behave in a logical way. Their behaviour is based on reasoning, clarifying, justifying and thinking in a coherent manner. They are said to be in Adult Ego state.

Example: *"There will be real causes for promotion."*

*"We must work wholeheartedly for the organisation. Only then we can expect higher productivity, and consequently, more benefits for all of us."*

- **Child Ego state:** On several occasions many people behave like children. Their behaviour is impulsive, spontaneous and curious. At times they behave by arguing, refusing or passing provocative remarks. At different times they may look to be happy, sad, defiant, creative, guilty etc. When a person behaves with natural feelings and spontaneous behaviour of a child he/she is said to be in Child Ego state.

Example: *"Oh! What a beautiful butterfly!"*

*"Why should I do it? I won't!"*

### 7.3.2 LIFE SCRIPT

As per TA every person has a life script i.e. a life plan, and that life plan is enacted as a drama in which he/she is an actor and replays the script in his/her mind, usually during early years. They are likely to enact the same scene whenever similar circumstances arise.

### 7.3.3 TRANSACTION AND ITS TYPES

A transaction is usually referred to a unit of behaviour. The behaviour may be self-oriented like fear, happiness, sorrow etc. which cannot be seen by others or overt behaviour where there are dealings with others such as encouraging the other person, greeting others, scolding each other etc.

There are three types of transactions and all the responses of human beings can be brought under any one of the transactions:

- **Complimentary transactions:** When people transact from the same Ego status and at the expected behaviour level, they are said to be transmitting complimentary transactions e.g.

*"When are you leaving for London?"*

*"Tomorrow."*

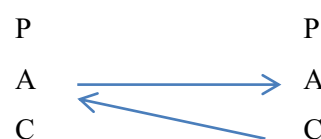
Diagrammatically it is represented as:



- **Crossed transactions:** The transactions are crossed when people react from different conflicting Ego status e.g.

*“When are you leaving for London?”*

*“It is none of your business.”*



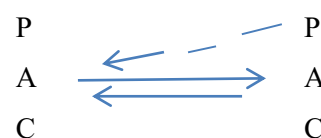
- **Ulterior transactions:** In these types of transactions, the outward response and the inward content of the responses vary e.g.

**Salesperson to customer (selling some old model):**

*“Sir, this is the best model of air conditioner available in the market.”*

**Customer (He/she knows this is the old model):**

*“Yes, I know, but we are having sufficient number of air conditioners installed in our house.”*



### 7.3.4 LIFE POSITIONS

The behaviour of a person is according to life position. There are four types of life positions:

- You are not OK; I am not OK.
- You are not OK; I am OK.
- You are OK; I am not OK.
- You are OK; I am OK.

Human beings deal with each other depending on their life position.

The ideal situation is: “You are OK; I am OK.”

The worst situation is: “You are not OK; I am not OK.”

### 7.3.5 PSYCHOLOGICAL GAMES

Psychological games refer to a set of transactions. Every such game has three basic characteristics.

They are:

- There are repetitions of the play of games.
- The transaction usually seems to be OK on the surface level.
- The transactions are mostly of ulterior type.

The end result of the game is “play off” – the negative feeling.

People who play games usually do the following:

- Commit mistakes;
- Pass the responsibility to others;
- Feel depressed about their inadequacies, and complain;
- Blame others for their own mistakes.

People tend to play psychological games consciously or without any intention. Those who are afraid of openness, accountability and responsibility play the games which are convenient to them, and thus try to keep others at a distance in order to avoid close relationship.

### 7.4 PREVENTION OF PSYCHOLOGICAL GAMES IN ORGANISATIONS

Psychological games are not suitable for healthy relationship among managers, supervisors and workers. They will ultimately lead to organisational politics in the long run. Organisations can take the following steps to discourage such games:

- Train the employees in TA. This is likely to streamline the way people deal with each other.
- Nobody should be allowed to suffer from superiority or inferiority complex.
- Train the staff to be as frank and open as possible.
- People should be encouraged to do introspection from time to time.

## 7.5 ADVANTAGES OF PRACTICING TA IN ORGANISATIONS

The following advantages are likely to accrue if employees are encouraged to practice TA:

- Positive thinking may be developed among employees.
- Healthy interpersonal relations are possible.
- Powerful non-financial motivators may be originated.
- Free flow of communication may be possible at all levels.
- Organisational changes can be effected without much difficulty since the 'OK position' is infused among the employees.



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## 8 GROUPS IN ORGANISATIONS

### 8.1 MEANING

An aggregate of people can become a group if all the individuals try to perform a common task, have interaction among themselves for the achievement of common objectives and have independence among themselves. The conversion of an aggregate of individuals does not happen all of a sudden. It happens over a period of time.

### 8.2 GROUPS IN ORGANISATIONS

In organisations employees do not work alone. They always live in a group in the workplace, recreation club or in carrying out union activities. The behaviour of group is different from the behaviour of individual members because every individual has his/her own beliefs, values, ambitions and aspirations. Some people in the group are satisfied in obeying while others behave like leaders.

According to Coleman (1990), “groups, like individuals, have structural, integrative and operative characteristics in physical and social settings. Like individuals they strive to maintain themselves and resist disintegration and to grow and develop their potentialities. Like individuals, too, they may solve their problems in either task-oriented or defense-oriented ways, and if their problems are beyond their resources – or believed to be – they may show evidence of strain, decomposition and pathology.”

The experiments conducted by Elton Mayo and Roethlis Berger during the period 1920 to 1930 on the various groups of workers at the Hawthorne plant of the Western Electric Company have created revolution in determining that the informal groups play a major and dominant role in determining the productivity, quality, human and industrial relations scenario in organisations.

In different organisations a ‘workgroup’ might be called a ‘team’ or a ‘section,’ or a ‘department.’ Although groups or teams have always been a central part of organisations, they are gaining increasing attention as important organisational asset. Professionals rarely work alone. They work with their colleagues and their managers. Accordingly, managers are concerned with creating effective teams or workgroups that make real contributions to quality products and/or services and thus ensuring success of the whole organisation.

It has been observed that workgroups outperform individuals when tasks being done require skills, judgment, and experience. Workgroups are more flexible and responsive to changing events than are traditional departments or other forms of permanent groupings. Workgroups have the capability to quickly assemble, deploy, refocus, and disband.

### 8.3 CHARACTERISTICS OF WORKGROUPS

One of the most obvious characteristics of a workgroup is that they are composed of two or more people in social and work-related interaction. In other words, the members of a workgroup must have some influence on each other. Workgroups must also possess a structure. Although workgroups can change, and often do, there must be some stable relationships that keep members together and functioning as a unit. To be a workgroup, a greater level of stability would be required. Another characteristic of workgroups is that members share common interests or goals. Finally, to be workgroups, the individuals involved must perceive themselves as a group. Groups are composed of people who recognize each other as members of their group and can distinguish from non-members.

We have all spent a great deal of time working in groups. Some of these groups seem to work very well together, and we sense that the group is able to accomplish something that none of the individuals could have accomplished on their own. In these cases, group members tend to identify with the group and may even surprise themselves in what they are able to accomplish individually when working with the group. Other workgroups, however, seem to function less effectively. In other cases, group members hate spending time in the group and often feel that they could accomplish the task, or at least their part of the task, much more efficiently if they were left on their own.

Thus the characteristics of a workgroup can be summarized as follows:

- A workgroup can involve as few as two people.
- A workgroup is not a mere aggregate of individuals.
- A workgroup's success depends on the interdependent and collective efforts of various group members.
- Group members are likely to have significant impact on one another as they work together.

### 8.4 GROUP COHESIVENESS

Cohesiveness denotes togetherness of the group. In other words, it means the degree of attraction that each member has for the group. Greater the cohesiveness, the greater the members of the group will conform to group norms.

Cotley, Santana-Melgoza and Todd (1994) have listed the following factors that contribute to the increase or decrease of cohesiveness of a group.



### 8.4.1 FACTORS INCREASING GROUP COHESIVENESS

The following factors are likely to increase group cohesiveness:

- Smaller groups tend to have more cohesion.
- Groups that are successful in achieving their goals are more cohesive.
- Physical isolation from other groups increases group cohesiveness.
- There is more cohesiveness if members have cooperative relationships avoiding internal competition.
- Cohesiveness increases if members are able to fulfil a large number of needs while participating in the group.
- External threat to the group increases its cohesiveness.

### 8.4.2 FACTORS DECREASING GROUP COHESIVENESS

The following factors may be responsible for decreasing group cohesiveness:

- When interpersonal conflicts result from members' disagreements over ways to solve group problems, the attractiveness of the group will decrease.
- When group activities result in embarrassment, the individual's attraction is usually reduced.
- If the group restricts the freedom of its members' activities outside the group, the attraction for the group may decrease.
- Reduced communication may result if some members are too dominating or if some members' behaviour is obnoxious.
- The cohesiveness may be reduced if group members feel that the activities involve too great a personal risk.

## 8.5 TYPES OF GROUPS

Several types of groups may be found in organisations. However, they can be broadly classified into two groups:

- **Formal or 'official':** They are formed by the management to perform certain tasks in order to achieve organisational goals.
- **Informal:** These are the groupings which are formed by the employees themselves according to their own needs. These types of workgroups have also been found to be very effective in the pursuit of organisational goals.

## 8.6 GROUP DYNAMICS

Group dynamics refers to the ways in which members of the group interact with each other, and the effect of the whole group as a whole on its members.

Cartwright and Zander (1953) have enunciated the following principles of group dynamics:

- In order to be an effective medium of change the group members must have a strong sense of belongingness to the group.
- The more attractive the group is to its members the greater is the influence that the group can exert on its members.
- Strong pressure for changes in the group can be established by creating a shared perception by members of the need for change.
- Information relating to the need for change, and plans for change must be shared by all people in the group.

## 8.7 IMPORTANCE OF WORKGROUPS

Group work is extremely important to quality and organisation effectiveness. The organisational improvements processes, such as Total Quality Management (TQM) and Process Re-engineering, heavily rely on workgroups.

Workgroups are particularly good at combining talents and providing innovative solutions to possible unfamiliar problems. The wider skill and knowledge set of workgroups has an advantage over that of the individual. The range of skills provided by its members and the self-monitoring, which each workgroup performs, makes it a safe recipient for delegated responsibility. Even if a single person could decide a solution for a problem, there are two main benefits in involving the people who will carry out the decision. First, the motivational aspect of participating in the decision making process will clearly enhance its implementation. Second, there may be factors, which the implementer understands better than the single person who could supposedly have decided alone. Finally, if each workgroup becomes trained, through participation in group decision making, in an understanding of the organisation's objectives and work practices, then each will be better able to solve work-related problems in general.

## 9 MORALE AND JOB SATISFACTION

### 9.1 MEANING OF MORALE

Morale is usually associated with individual in terms of confidence, courage, zeal and the will to do. It is not something to be sought in itself but is rather a by-product of satisfactory group relations. According to Jucius (1975), “morale is a state of mind and emotions affecting willingness to work which in turn affects individual and organisational objectives.”

We can say that morale is the feeling of work satisfaction. It is generally described in terms of a feeling of an employee towards team work. It is the sum of satisfaction experienced by an employee as a job holder and member of the organisation. Feelings, emotions and motives combine to provide certain attitudes and behaviour on the part of an individual, which in turn represents the employee's morale.

As a matter of fact, morale is a relative concept. When the employees have low dissatisfaction they are considered to be at high morale, and when they have many frustrations and grievances, they are considered to be at a low morale.

#### 9.1.1 SYMPTOMS OF LOW MORALE

The following are the symptoms of low morale:

- Poor attendance and absence from work;
- Frequency of accidents in workplace;
- High labour turnover;
- Prevalence of employee complaints and grievances.

#### 9.1.2 ADVANTAGES OF HIGH MORALE

High morale ensures the following:

- Job satisfaction;
- High productivity;
- Employee stability;
- Employees' identification with the organisation;
- Employees' willingness to accept responsibility.

### 9.1.3 IMPACT OF LOW MORALE

The organisation usually faces the following impact on account of low morale:

- High labour turnover;
- Work stoppage;
- Disciplinary problems;
- High absenteeism;
- Increase in grievances;
- Non-involvement of employees in the organisation's activities.

## 9.2 HOW TO MEASURE MORALE

Given below are some of the methods of measuring employee morale:

- Opinions and impressions of supervisors;
- Analysis of production;
- Specifically guided interviews;
- The “listening in” process;
- Questionnaires.

The most common practice is to conduct morale or attitude surveys among the employees. It is so because generally morale can be gauged by studying attitudes and behaviour of the employees. In addition, external behaviour of the employees on the shop floor is also a factor that should be taken into account whether they are cheerful, satisfied or dissatisfied, enthusiastic or indifferent, cooperative or complaining, dull or active, regular or irregular in attendance etc. These factors indicate the state of employee morale.

## 9.3 HOW TO ELEVATE MORALE

Administrative measures for the promotion of high morale are very difficult to achieve desirable results in all situations. The reason is that there are innumerable variations among human feelings i.e. the feelings are contradictory and multidimensional.

However, the following methods may be employed to elevate employee morale:

### 9.3.1 THE GROUP APPROACH

- Timely settlements with unions;
- Proper wage and salary administration;
- Merit-based promotion policies;
- Attractive retirement plans;
- Provision of welfare services like canteen, medical, restrooms, recreational facilities, group insurance, social security etc.

### 9.3.2 INDIVIDUAL APPROACH

The following generally contribute to an elevated morale:

- Job placement;
- Job enrichment and job enlargement;
- Job rotation;
- Job training and re-training;
- Performance self-appraisal;
- Counselling;
- Rewards and incentives.

Events or measures that evoke pleasant feelings in one employee may have just the opposite effect on another employee. Moreover, administrative procedures and policies at times may become inoperative due to technological changes. Hence in general the administrative measures for building high morale should match with the organisation's climate and technological changes.

## 9.4 MORALE AND PRODUCTIVITY

High production can exist only when there is high morale. The rate of production decreases when the morale decreases. When both employees and management achieve productivity and production goals, we may call 'production oriented morale' – a condition in which the unique ambitions of all concerned are realised. Whenever an organisation has production oriented morale, other things being equal, higher production will become an inevitable consequence. Hence the morale of an employee is directly related to productivity of an organisation.

The responsibility of promoting and maintaining high morale rests with the top management. The management must assume the responsibility for administering the morale building programmes and maintenance of high morale. Experts suggest the following measures to maintain high morale:

### 9.4.1 WORKER DESIRES

- Fair and efficient leadership;
- Opportunity for expression and development;
- Recognition as an individual;
- Acceptable work hours and wages;
- Economic security.

### 9.4.2 MANAGEMENT DESIRES

- Cooperation of employees;
- Stability of employees;
- Initiative of employees;
- Maximum productivity of employees;
- Low operational cost;
- Loyalty of employees.

## 9.5 THE CONCEPT OF JOB SATISFACTION

Job satisfaction is an elaborate composite concept including an individual's mental disposition and interpersonal relations. It may be defined as 'the satisfaction one derives from doing his/her job.' Job satisfaction is an important factor in organisational climate, as the satisfied employees are creative, innovative and highly productive.

### 9.5.1 FACTORS CONTRIBUTING TO JOB SATISFACTION

The factors that contribute to the positive morale and attitude also result in high degree of job satisfaction. The following factors contribute to high level of job satisfaction:

- Challenging and responsible jobs;
- Promotional opportunities;
- Equal opportunity policy;
- Job security;
- Attractive salary and incentives;
- Participative management;
- Welfare facilities;
- Recognition;
- Cordial interpersonal relations;
- Effective vertical communication system.

### 9.5.2 HOW TO MEASURE JOB SATISFACTION

Job satisfaction depends on the individual mind. A source which provides satisfaction to some employees may not give satisfaction to others. However, in general job satisfaction can be measured through the following:

- Interviews;
- Discussions;
- Surveys with specific questionnaires;
- Data collection through self-appraisal;
- Opinions of experts etc.

Feedback should be collected and analysed in order to initiate appropriate measures for further reforms and modifications in the organisation's policies and procedures.

# 10 ORGANISATIONAL CULTURE

## 10.1 ORGANISATIONAL CULTURE

The terms 'Organisational Climate' and 'Organisational Culture' are treated as synonymous but it is not so. Organisational culture is the offshoot of organisational climate. The nature of organisational climate affects organisational culture in either negative or positive way. In fact, organisational culture is unique, and demonstrates inherent characteristics and features of the organisation. The interrelationships within the organisation as well as its relationship with the outside world are determined according to organisational culture. According to Robbins (1979), "organisational culture is relatively uniform perception held on the organisation, it has common characteristics, it is descriptive, it can distinguish one organisation from another, and it integrates individual group and organisation system variables."

Though organisational culture is highly abstract and invisible, it takes a long time to build up. It decides the behaviour of the employees including their needs, attitudes and expectations.

## 10.2 DIMENSIONS OF ORGANISATIONAL CULTURE

A good organisational culture is seen in various dimensions. These are the following:

- **Mutual support system:** Workers support management and vice versa.
- **Decentralised and autonomous approach:** The employees have full freedom and autonomy of function within the set procedures and regulations under the overall corporate objectives. Decision making and implementation of decisions are faster.
- **High motivation level:** The employees are highly motivated with suitable rewards on achieving extraordinary results.
- **Conflict resolution:** There is an openness and frank approach towards resolving conflicts.
- **Training and development:** Training programmes and development activities are planned systematically throughout the year. Considerable financial investment is made in these areas to harness the potential of human resources.
- **Reasonable risk taking:** Personnel are allowed to take reasonable risks by trying their innovative ideas and methods.
- **Control and supervision:** Supervision is neither too close nor too far away. Staff members and supervisors are friendly and workers are guided whenever necessary.
- **Humane treatment to workers:** Workers are treated as human beings. Their physical, psychological and other problems are taken care of to a large extent.

## 10.3 DETERMINANTS OF ORGANISATIONAL CULTURE

Various factors contribute to the development of organisational culture.

### 10.3.1 LEADERSHIP STYLE

Since leadership makes policies and leads the workforce, it is the main determining factor of organisational culture. It can be explained with the following chart.

Type of Leadership	Impact on Organisational culture
Autocratic	Close supervision, less autonomy, high task, more punishments, less motivators, less relationship, highly formal.
Democratic	More freedom and autonomy, freedom to make decisions at all levels, healthy relationship, highly informal, free flow of communication.
Situational	Communication, leadership, motivation, relationship, task-orientation influence.



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### 10.3.2 FINANCIAL STATUS

Financial status of the organisation has a close link with its organisational culture. Organisations which are financially sound are able to build a healthy organisational culture.

### 10.3.3 SIZE OF THE ORGANISATION

Small organisations can bestow personal care on employees and cultivate a healthy organisational culture. On the other hand, large organisations are unable to pay close attention to the problems and issues of employees. Especially, when the organisation is spread across the nation – or even internationally – with employees from different cultures, the objective uniform organisational culture may be a problem.

### 10.3.4 TYPES OF ORGANISATIONAL STRUCTURE

The nature of organisational structure also plays a major role in organisational culture. Likert (1961) made a study of organisations, and employees were asked to rate on a rating scale based on questions such as these:

- How much confidence does one have to show on subordinates?
- How much resistance to goals is present?
- Who has more responsibilities towards achieving organisational goals?
- Who makes most of the decisions in organisational hierarchy?

Based on the responses, he advocated the following processes:

- Motivational process
- Leadership process
- Goal setting process
- Decision making process
- Communication process
- Control process

By analyzing these processes, he brought out the following four types of organisations:

- Type I – Exploitative, Authoritative
- Type II – Benevolent, Authoritative
- Type III – Consultative
- Type IV – Participative

The culture of the organisation varies accordingly.

**10.3.5 MATURITY OF THE WORKERS**

The maturity of workers also has a close relationship with organisational culture. If the maturity level of workers is high, it means a healthy organisational culture.

**10.3.6 POSITIVE POLICIES**

An organisation should have positive policies towards employees who have to be given ample opportunities to express their opinions, suggestions etc.

**10.3.7 MANAGERIAL ETHOS AND VALUES**

The management should not adopt short-cut methods to make huge profits. The adoption of such practices may yield short term benefits, but in the long run the organisation will have an unhealthy organisational culture.

# 11 ORGANISATIONAL CONFLICTS

## 11.1 INTRODUCTION

Organisational conflict may be defined as a process in which the individuals or groups disagree with each other and function in opposite directions. This happens in a situation when an employee or groups of employees have opposite views because of their personal interests, attitudes and perceptions. Sometimes conflicts may occur between the management and workers on several issues.

## 11.2 FEATURES OF CONFLICTS

Conflicts have some specific features:

- They are different from competitions.
- Conflicting individuals or groups have their own goals, values and perceptions.
- Conflicts manifest in both covert and overt behaviour.
- One party tries to block the efforts of the other.
- Quite often conflicts lead to violent behaviour.
- They are inevitable phenomena of the organisation.

## 11.3 FUNCTIONAL AND DYSFUNCTIONAL ASPECTS OF CONFLICTS

For a long time conflicts were considered to be dysfunctional and harmful to organisations. Organisational behaviourists believed that the ill effects and negative feelings generated by conflicts bring down the performance of individuals and reduce the productivity of the organisation. They recommended that conflicts should be avoided in organisations.

But in recent years behavioural scientists have disagreed with this view. They believe that conflicts at moderate level are essential for the healthy growth of the organisation. They give the following reasons:

- **Concrete view of situations:** The parties involved in the conflict want to outshine each other. Consequently they analyze the situation thoroughly and thus fully pursue the organisation.
- **Innovations:** Individuals and groups try to find out innovative ideas and methods to overcome the blocks put forth by the opposite individuals or groups.
- **Release of stress:** Individuals or groups are able to release tension, stress and other negative factors like anger, fear, hatred etc. through overt behaviour arising out of conflicts.

- **Group cohesiveness and challenging environment:** The parties involved throw challenges on each other in conflicts. Hence cohesiveness among the groups increases as they put forward cooperative strategies to overcome difficulties.
- **Management alertness:** When the management becomes aware of conflicting situations, they become alert and come out with strategies to resolve these conflicts.
- **Happiness and satisfaction:** When conflicts are finally resolved, the parties concerned are relieved and happy. Thus a better understanding is created.

## 11.4 GOAL CONFLICTS

When there are conflicts between two equally attractive goals, they are said to be in goal conflict. For example, they want to be honest to both the unions and management. Sometimes there may be two unions that may have two different ideals and try to attract workers towards them. This creates a situation of contrasting conflicts.

### 11.4.1 SOLUTIONS TO GOAL CONFLICTS

There are usually three different approaches to resolving conflicts:

- **Approach – Approach Conflict:** Here the workers are caught between two attractive goals. Though both the goals may be equally attractive, they decide in favour of one. They have to use their justification and rationalisation to choose one of the two.
- **Approach – Avoidance Conflict:** Sometimes the various goals have both positive and negative consequences. Workers have to spend time, energy and other resources to resolve the conflict.
- **Avoidance – Avoidance Conflict:** When an individual is faced with two negative goals, he/she can resolve the conflict by discarding both the goals and searching for new goals.

## 11.5 ROLE CONFLICT

Every individual enacts a number of roles in the organisation as manager, or supervisor or worker. He/she is expected to perform job roles in accordance with the objectives of the organisation. Sometimes he/she likes the roles and sometimes they do not like them, but have to perform these roles as expected by the management. This situation gives rise to role conflict.

There are three types of role conflicts:

- **Role ambiguity:** Here the role expectations are not well-defined. The job itself is ambiguous. In some organisations managers do not have clarity of goals, and so they just discharge their duty without really justifying their role function.
- **Organisation position:** In certain jobs hierarchy positions are not strictly defined. The staff members have to play certain roles which are not related to their jobs. Without knowing the exact position of their jobs, they face a conflict situation.
- **Personality characteristics:** Personal values, beliefs and other characteristics also lead to conflicting situations. For example, a manager may want to enforce discipline at all levels but the higher management may hold liberal views on discipline. This will create a conflict in that manager.

### 11.5.1 EFFECT OF ROLE CONFLICT

Role conflicts create many undesirable effects in individuals and the organisation. They may be summarized as follows:

- The individual is unable to perform his/her duties efficiently.
- Health of the individual may be affected.
- He/she will develop negative attitude towards the organisation.
- His/her negative attitude will demotivate others.
- Productivity will be low.
- Targets may not be achieved.

### 11.5.2 RESOLVING ROLE CONFLICT

Since the role conflict is a highly sensitive issue, it has to be resolved at the earliest. It may be resolved as follows:

- Creating awareness among the individuals about the role conflict so that the manager can resolve the conflicts by adopting appropriate methods;
- Having a discussion with those who are under similar role conflicts;
- Involving expert consultants in finding acceptable solutions.

## 11.6 GROUP LEVEL CONFLICTS

Groups are important in organisations, so the management should pay adequate attention to analyze and resolve conflicts. Group conflicts may be at two levels.

### 11.6.1 INTRAGROUP CONFLICTS

A group consists of a number of people with different values, beliefs, and whims and fancies. This leads to intragroup conflicts – conflicting situations persisting among the members of the same group.

### 11.6.2 INTERGROUP CONFLICTS

Interaction between various groups leads to intergroup conflicts. The reasons for these conflicts are as follows:

- **Goal incompatibility:** Goal incompatibility arises when one group attains the goals easily whereas the other group fails. For example, different groups producing the same type of products may not achieve the target uniformly. So one group tries to block the other through various means, and thus conflicting situation arises.
- **Sharing of resources:** Resources are limited but the demands for them by different groups are many. Each group wants the maximum share, thus leading to conflicts.
- **Task relationship:** All the groups in the organisation are interdependent. They have to maintain good relations with each other based on trust and cooperation. When some groups fail to do so, conflicts arise.
- **Disruption in communication:** There should be clear communication among various groups. When this does not happen, conflicts inevitably arise. For example, marketing department should have been informed about targets and time schedules. Non-compliance results in a conflicting situation.
- **Faulty attitudes:** Negative attitudes are the root cause of dysfunctional conflicts in organisations.

### 11.7 CONFLICT RESOLUTION TECHNIQUES

Timely corrective measures are to be introduced and conflicts resolved in a tactful way. These measures are situational in nature, and could be some or all of the following:

- **Common well-defined goals and spontaneous organisational communication:** Goals should be clearly and properly communicated to all concerned. They should neither be too low nor too high to achieve, and should be within the employees' reach.
- **Minimize role conflicts:** Discussions, seminars and training programmes should be organized at frequent intervals in order to perceive the self-role and the role of others. Sharing of resources should be done through fair means.
- **Impartial reward and punishment scheme:** Adequate motivational measures should be introduced to resolve dysfunctional conflicts. The implementation of such measures needs to be open, frank and impartial.
- **Compromising:** Management should play the role of mediator to narrow down the differences between the conflicting groups.
- **Problem solving:** Problem solving is the most desirable method of conflict resolution. In this method the basic causes for conflicts are identified through brainstorming and other methods. Alternate solutions are singled out and implemented.

# 12 ORGANISATIONAL DEVELOPMENT

## 12.1 INTRODUCTION

Organisational Development (OD) is a systematic approach to introduce and implement desirable changes in organisations. The aim is to improve the overall efficiency and productivity of the organisation. It is a long term programme which is implemented through various strategies and processes, and everybody from top to bottom is involved.

## 12.2 CHARACTERISTICS OF ORGANISATIONAL DEVELOPMENT (OD)

The main characteristics of organisational development are as follows:

- **OD is a long term effort:** An OD programme is extended over a period of 5 to 10 years. During this period frequent changes are made in order to make the process successful.
- **Wider coverage:** OD process covers the entire organisation and everything is analysed. The overall culture of the organisation such as beliefs, attitudes, values, strengths and weaknesses are carefully studied.
- **System and research oriented:** OD is a research based method. OD experts collect, analyze, and interpret data in a scientific way. They study the relationship between departments and people and how they influence each other. After this, the planned changes are introduced to bring in the desired improvement and effectiveness in organisations. Decision making involved in this process is highly systematic.
- **Problem solving and improvement:** During the process of OD, many problems surface. The OD experts study them and suggest solutions to these problems in order to achieve improvement and higher productivity without much stress and strain.
- **Effective planning and goal setting:** Goal setting is done systematically at all levels of the organisation. Only then target groups start working toward achievement of goals set.
- **Instant feedback:** Instant feedback is given to group members during the process of working towards the goals. This helps them in making appropriate changes wherever required.
- **Team building process:** OD mostly deals with groups and sub-groups. It pays special attention to team building exercises.
- **Experiential learning:** During the process of OD employees learn from their own experiences as well others. After this, they develop their own pattern of behaviour.
- **The use of change agents or consultants:** The consultants, who mostly work full time, do not tell what to do and what not to do. Rather they assist the employees to evolve appropriate changes and adopt them.

- **OD is a combined approach:** OD is not a separate approach. It is a combination of subjects such as Psychology, Sociology, Anthropology, Economics, Engineering, Human Resource Development etc. Experts from all such fields have contributed to the concept of OD.

## 12.3 OBJECTIVES OF ORGANISATIONAL DEVELOPMENT

According to Raia (1972), “OD technology is aimed at developing new organisational learning and new ways of coping and dealing with problems.”

Some of the significant objectives of OD are to improve the following:

- Productivity and quality;
- Morale and motivation;
- Mutual cooperation and trust;
- Satisfaction of all;
- Solving organisational problems;
- Providing opportunities to the workers to match their needs with those of the organisation and vice versa;
- Effectiveness of groups;
- Synergetic effect at all levels;
- Conducive environment;
- Setting attainable goals and effective methods to implement the same;
- Solving the dysfunctional conflicts.

## 12.4 ORGANISATIONAL DEVELOPMENT PROCESS

OD is not a one-time solution. It is a prolonged wholesome process. Following are some of the important steps of this process:

- **Primary consultation and identification of problems:** The problems are identified and analysed by the OD consultant after elaborate discussions with the staff at all levels.
- **Data collection:** The consultant collects the relevant data through surveys, questionnaires, interviews, seminars, discussions, secondary sources etc.
- **Diagnosis and analysis:** The collected data is analysed and diagnosis is made. The consultant also observes for the wider variations, similarities etc.
- **Planning and implementation:** Based on the issues identified and analysed, planning is done and implemented on a continuous basis.
- **Team building and problem solving:** During the process of OD, groups are involved in brainstorming sessions and problems are approached with open mind. Proposed solutions are thoroughly analysed and the group process continues.



- **Instant feedback:** Feedback is quick and continuous. Individuals and groups are trained to accept feedback objectively and in good spirit. Deficiencies and lapses are eradicated in order to ensure a sound and healthy system.
- **Appraisal and follow up:** Once the system is established, the OD consultant helps the organisation to appraise the results continuously and do a meticulous follow up. Deficiencies are eradicated through the collection and evaluation of feedback in a systematic manner.

## 12.5 INTERVENTIONS OF OD

There are various interventions (methods) to implement the OD. French and Bell (1999) advocate the following:

- Diagnostic
- Team building
- Intergroup activities
- Training programmes
- Technical programmes
- Process consultation
- Management Grid
- Negotiation and mediation
- Counselling and coaching
- Career planning
- Planning and goal setting activities

Based on the situation and environment, appropriate intervention is recommended by the OD consultant.

The following are the most widely used OD interventions:

### 12.5.1 SENSITIVITY TRAINING

This is the most popular training. The group involved in the process is known as T-Group ('T' stands for Training), and consists of 10 to 12 members. A professional behavioural scientist moderates the programme. There is no specific agenda. The moderator merely creates an opportunity for free interaction among members. A wide variety of topics are discussed and solutions to problems posed are found out.

- ❖ Essential features of sensitivity training:
  - **Process oriented:** It is not the content but the process, which is important, and is developed by the participants themselves.
  - **Unstructured group:** The group members have to structure the activities themselves.

- **Spontaneous participation:** All the members should participate spontaneously in the process with frank communication.
  - **Flexible environment:** A flexible environment, where participants feel free, is to be created.
  - **Highly mature participants:** Participants should be mature having at least the basic knowledge of the process of management.
- ❖ Limitations in sensitivity training:
- **Psychological damage:** Some participants are unable to put up with the training because they feel humiliated, manipulated, and psychologically drained.
  - **Stress and strain:** Some participants, who are highly sensitive, suffer from various psychological disorders due to stress and strain.
  - **Withdrawal symptoms:** Some participants suffer from lack of confidence and withdraw from participation.
  - **Exploitation of weak participants:** The strong candidates in the group may dominate and exploit the weak members.
  - **Untrained trainers:** If the trainers themselves are not adequately trained, the training programme will not be facilitated successfully.

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### 12.5.2 ROLE PLAYING

Role playing is another effective method of OD. The participants are assigned different roles, and the trainer introduces artificial conflicts as happens in real life situations. The other participants observe and at the end everyone is involved in the discussion. After the discussion, some sorts of solutions are brought forth for the situation.

❖ Advantages:

- Everyone in the group gets an opportunity to exhibit their analytical skill.
- All the members participate in the process.
- Since it is practical oriented, members' experiences serve as resource for methodology.
- It gives an opportunity to participate and to release their tension, prejudices etc.
- Many alternate solutions are found out.

❖ Disadvantages:

- Some members may become emotional while recounting experiences.
- It is a time-consuming process.
- Variable solutions may not be arrived at.

### 12.5.3 GAMING

This methodology is also termed as 'Management Games.' Participants have to undergo structured and simulated exercises. For example, the group may be entrusted with the task of marketing some products in fluctuating situations. The trainer announces changes in environment here and there. Finally, the results are analysed and all the participants discuss and analyze the causes of failure or success.

❖ Advantages:

- This method is practical oriented and interesting.
- Involvement of all the participants benefits them.
- Games are flexible because situations can be re-arranged from time to time.
- It is very suitable for tackling day-to-day management problems.

❖ Disadvantages:

- Participants face a lot of stress and strain.
- There is always a fear of failure in games.
- Real life situations are quite often different from simulated conditions.

#### 12.5.4 MANAGEMENT BY OBJECTIVES (MBO)

MBO is one of the most popular tools in OD.

- **Goal setting:** In MBO the primary focus is joint goal setting. The goals which are clear and unambiguous are accepted by all. The goals are divided into two types:
  - Performance goals;
  - Personal and development goals.Goal setting sessions – which include both subordinates and superiors – are convened to discuss relevant matters.
- **Action plan:** The superiors and subordinates plan the ways and means to attain the goals set.
- **Implementation and feedback:** After the action plan is implemented, feedback is collected.
- **Review and follow up:** When feedback is received, the methods of implementing action plans are revised, if necessary.

❖ Advantages:

- Both subordinates and superiors are committed to the achievement of goals.
- Feedback and review help to modify strategies to achieve the objectives.
- It is a participative management style, and so the decisions are easily implemented.

❖ Disadvantages:

- It is a time-consuming exercise.
- Workforce usually has contradictory views against the management.

#### 12.5.5 TEAM BUILDING

Team building is a process of designing and improving the effectiveness of group members. Particular attention is paid to performance and collaboration within the group. Team building activities are directed toward goal setting, development of interpersonal relations, role analysis etc.

#### 12.5.6 SURVEY FEEDBACK

A questionnaire is completed by all the members of a group or the whole organisation. It includes questions about the attitudes of employees on a wide range of topics such as decision making, communication, coordination, job satisfaction etc. On the basis of this feedback, specific plans for dealing with the problems identified by the survey are developed.

# 13 ORGANISATIONAL CHANGE

## 13.1 INTRODUCTION

Change is the law of nature and so it is inevitable. It is a symbol of dynamism. Change affects every aspect of life. For organisations, change is the way to stay competitive and to grow. In dynamic industrial economy, decisions by organisations conforming to changing scenario involve change.

According to Gardner (1964), “like people and plants, organisations have a life cycle. They have a green and supple youth, a time of flourishing strength and a gnarled old age.... An organisation may go from youth to old age in two or three decades, or it may be lost for centuries.” Appropriate changes introduced in an organisation at an appropriate time ensure its growth and development.

## 13.2 WHAT IS ORGANISATIONAL CHANGE?

Change can be defined as planned or unplanned alteration of status quo in an organisation's situation or process. It affects the structure, technology and human resources of the whole organisation. The success of such change depends on how managers in the organisation are able to educate and introduce changes in the organisation at the appropriate time, which will change the perception of employees for such changes.

According to Davis (1989), “change is a necessary way of life in most organisations. In fact, change is all around people – in the seasons, in their social environment, and in their own biological process.”

## 13.3 REASONS FOR CHANGES

Some or all of the following could be the reasons for effecting changes in organisations:

- **Changes in technology:** Technological changes – in machinery, tools and equipment etc. – may bring changes in the organisation. To cope up with these changes, an organisation has to change its methods, processes etc.
- **Market situation:** Changes in demand and supply, consumer needs and tastes, competition in the market etc. make it necessary to introduce changes in the organisation.
- **Social and political changes:** Organisational change is also necessitated on account of social and political conditions, relations between government and business, legal provisions etc.

- **Changes in managerial personnel:** Changes in managerial hierarchy by way of promotions, transfers and new recruitments result in changes in the organisation because new personnel in managerial positions introduce fresh ideas and innovations.
- **Deficiencies in existing structure:** Deficiencies in the existing structure of an organisation create imbalance, and this requires appropriate changes.

### 13.4 FORCE FIELD ANALYSIS

Lewin (1951) has developed a method of looking at change, known as 'force field analysis.' He has identified two forces that affect change. They are:

- Forces favouring change called 'driving forces', and
- Forces opposing change labelled as 'resisting forces.'

These two forces move in opposite directions to overpower each other. Change occurs only when the driving force dominates over the changing forces or there is a reduction in restricting forces or both forces are not equal in strength. It is the skill or efficiency of the manager in the organisation to identify these forces and bring in desirable changes in the organisation.

### 13.5 INDIVIDUAL CHANGE MODEL

Unless individual members in the organisation change their behaviour, the changes will have little impact on the effectiveness of the organisation. So such change in the organisation requires change in the behaviour of individuals in the following manner:

- **Unfreezing:** It involves discarding the conventional methods and introducing a new dynamic behaviour appropriate to the situation.
- **Changing:** It is the phase where new learning occurs to accept the change.
- **Refreezing:** In this phase individual members accept the new behaviour as a permanent part of their behaviour.

### 13.6 WHY DO PEOPLE RESIST CHANGE?

People resist change for the following reasons.

#### 13.6.1 INDIVIDUAL RESISTANCE

- **Economic reasons:**
  - Obsolescence of skills
  - Fear of economic loss
- **Personal reasons:**
  - Ego defensiveness
  - Status quo
  - Fear of unknown

- **Social reasons:**
  - Social displacement
  - Peer pressure

### 13.6.2 ORGANISATIONAL RESISTANCE

- Threats to power and influence
- Organisational structure
- Resource constraints
- Sunk costs

## 13.7 TECHNIQUES FOR OVERCOMING RESISTANCE TO CHANGE

There are several techniques for dealing with resistance to change:

- **Education and communication:** Information and communication of ideas about change will help to overcome resistance to change.
- **Participation and involvement:** Participation of subordinates in the change process and their involvement in such changes will have a favourable effect on changes.
- **Facilitation and support:** Managers should attempt to remove the barriers for such changes by acting as facilitators and supporting the subordinates who resist change in the organisation.
- **Incentives:** Offering incentives to resisters is another way of overcoming resistance to change.
- **Manipulation:** Managers can attempt to manipulate events for the successful implementation of changes in the organisation.
- **Coercion:** As a last resort – though not desirable – managers may force the subordinates to adapt to changes by threatening with loss of job, curtailment of promotion etc.

## 13.8 GROUP DYNAMICS OF CHANGE

Group behaviour influences changes in the organisation. The study of group behaviour, which is influenced by group prestige, attitudes, values, perception etc., by managers can bring desired changes through the groups.

## 13.9 MANAGEMENT OF CHANGE

Management of organisational change is critical and highly complex in nature. So any changes in the organisation before their introduction in the organisation require a great amount of work on the part of managers.

They need to do the following:

- Recognise the forces demanding change;
- Recognise the need for change;
- Diagnose the problem;
- Plan the change;
- Implement the change;
- Follow up and feedback.

Not only managers but employees at all levels also need to be involved in the whole process. Heller (1998) asserts, “By their nature, change programmes call for leadership. But they also require inspired, dedicated, and inspiring followers. Whether they are leaders or followers, ‘change agents,’ located in key positions, play an indispensable role in the change process.”



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He has also worked as Acting Chief Executive & Consultant for a reputed Training Institute in the Sultanate of Oman.

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