**ORGANIZATIONAL BEHAVIOUR AND HUMAN RESOURCE DYNAMICS-I**

**Study Notes**

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# MODULE-1 ORGANISATIONAL BEHAVIOUR

### INTRODUCTION

All organizations, be the business, educational or government, are social systems. They are run by people. The functioning of an organization depend upon how people work or behave in the organization. Human behaviour in organizations is highly unpredictable. It is unpredictable because it arises from people’s deep-seated needs and value systems. However, it can be partially understood in terms of the framework of behavioral science, management and other disciplines. There is no idealistic solution to organizational problems. All that can be done is to increase our understanding and skills so that human relations at work can be enhanced.

### ORGNISATIONAL BEHAVIOUR – CONCEPTS

Organizational Behavior is concerned with the study of human behaviour at work. It is the field of study that investigates the impact that individuals, groups and structure have on behavior within organization. It is the study and application of knowledge about how people act within organizations. It is a human tool for human benefit. It applies broadly to the behavior of people in all types of organizations, such as business, government, schools and services organizations. It covers three determinants of behavior in organizations: individuals, groups, and structure. OB is an applied field. It applies the knowledge gained about individuals, and the effect of structure on behavior, in order to make organizations work more effectively. OB covers the core topics of motivation, leadership behavior and power, interpersonal communication, group structure and process, learning, attitude development and perception, change process, conflict, job design and work stress.

##### DEFINITION:

According to **Callahan**, “Organizational behaviour is about of management activities concerned with understanding, predicting and influencing individual behaviour in organizational setting.”

According to **Raman J. Aldag**, “Organizational behaviour i a branch of social science that eek to build theories that can be applied in predicting ,understanding and controlling behaviour in work organization.

In the opinion of **Robbins**, “OB is a field of study that investigates the impact that individual, group,

##### KEY ELEMENTS OF ORGANISATIONAL BEHAVIOUR:

There are four key elements in organizational behavior. There are people, structure, technology and the environment. Each o f the four elements o f organizational behavior will be

considered briefly.

1. **People**

People make up the internal social system of the organization. They consist of individuals and groups, and large groups as well as small ones. People are the living, thinking, feelings beings who created the organizations. It exists to achieve their objectives. Organizations exist to serve people. People do not exist to serve organizations. The work force is one of the critical resources that need to be managed. In managing human resources.

## Structure

Structure defines the official relationships of people in organizations. Different jobs are required to accomplish all of an organization’s activities. There are managers and employees, accountants and assemblers. These people have to be related in some structural way so that their work can be effective. The main structure relates to power and to duties. For example, one person has authority to make decisions that affect the work of other people.

## Technology

Organizations have technologies for transforming inputs and outputs. These technologies consist of physical objects, activities and process, knowledge, all of which are brought to bear on raw materials, labour and capital inputs during a transformation process. The core technology is that set of productive components most directly associated with the transformation process.

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## Environment

All organizations operate within an external environment. A single organization does not exist alone. It is part of a larger system that contains thousand of other elements. All these mutually influence each other in a complex system that becomes the life style of the people. Individual organization, such as a factory or school cannot escape from being influenced by this external environment. It influences the attitudes of people, affects working conditions, and provides competition for resources and power. Every organization interacts with other members of its environment. The interactions allow the organization t o acquire raw material, hire employees, secure capital, obtain knowledge, and build, lease or buy facilities and equipment. Since the organization process a product or service for consumption by the environment, it will also interact with its customers.

### BASIC APPROACHES OF ORGANISATIONAL BEHAVIOR

1. **An Interdisciplinary Approach:** It is integrating many disciplines. It integrates social sciences and other disciplines that can contribute to the Organizational Behavior. It draws from these disciplines any ideas that will improve the relationships between people and organization. Its interdisciplinary nature is similar to that of medicine, which applies physical, biological and social science into a workable medical practice. Organizations must have people, and people

working toward goals must have organizations, so it is desirable to treat the two as a working unit.

1. **Scientific Management Approach:** The fundamental concern of the scientific management school was to increase the efficiency of the worker basically through good job design and appropriate training of the workers. Taylor is the father of the scientific management movement and he developed many ides to increase organizational efficiency. Taylor showed that through proper job design, worker selection, employee training and incentives, productivity can be increased. The scientific management school advocated that efficiency can be attained by finding the right methods to get the job done, through specialization on the job, by planning and scheduling, by using standard operating mechanisms, establishing standard times to do the job, by proper selection and training of personnel and through wage incentives.
2. **A Human Resources (Supportive) Approach:** It is developmental approach concerned with the growth and development of people toward higher levels of competency creativity and fulfillment, because people are the central resource in any organizations and any society. It helps people grow in self-control and responsibility and then it tries to create a climate in which all employees may contribute to the limits of their improved abilities. It is assumed that expanded capabilities and opportunities for people will lead directly to improvements in operating effectiveness. Work satisfaction will be a direct result when employees make fuller use of their capabilities. Essentially, the human resources approach means that better people achieve better results.
3. **A Contingency Approach**: Traditional management relies on one basic principle – there is one best way of managing things and these things can be applied across the board in all the instances. The situational effect will be totally ignored in this traditional management. Situations are much more complex than first perceived and the different variables may require different behavior which means that different environments required different behavior for effectiveness. Each situation much be analyzed carefully to determine the significant variables that exist in order to establish the kinds of practices that will be more effective.

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1. **A Systems Approach:** This implies that organization consists of many inter related and inter dependent elements affecting one another in order to achieve the overall results. Conceptually a system implies that there are a multitude of variables in organization and that each of them affects all the others in complex relationships. An event that appears to affect one individual or one department actually may have significant influences elsewhere in the organization. Systems theorists describe the organization as “open to its external environment”, receiving certain inputs from the environment such as human resources, raw materials etc, and engaging in various operations to transform those raw materials into a finished products and finally turning out the “outputs” in its final form to be sent to the environment. The organization, since it is open to the environment, also receives feedback from the environment and takes corrective action as necessary.

### NEED FOR STUDING ORGANISATIONAL BEHAVIOUR

* + Organisational behaviour provides a sound work environment.
  + It helps in creating effective leaders.
  + It improves interpersonal relations.
  + It maintains cordial industrial relation.
  + It improves motivation and communication.
  + It helps in creating congenial Organisational climate.

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### CHALLENGES AND OPPORTUNITIES FOR ORGANISATIONAL BEHAVIOUR INTRODUCTION

There are many challenges and opportunities for managers to use Organizational Behavior concepts to enhance the overall effectiveness of individuals, groups and organization. The following are some of the critical issues confronting managers for which the knowledge of Organizational Behavior offers worthy solutions based on behavioral science and other interdisciplinary fields.

### SIGNIFICANT PROBLEMS IN MANAGEMENT

The following are some of the significant problems:

1. Improving People Skills
2. Improving Quality and Productivity
3. Managing Workforce Diversity
4. Responding to Globalization
5. Empowering People
6. Coping with Temporariness
7. Stimulating Innovation and Change
8. Improving Ethical Behavior

##### Improving People Skills:

Technological changes, structural changes, environmental changes are accelerated at a faster rate in business field. Unless employees and executives are equipped to possess the required skills to adapt those changes, the achievement of the targeted goals cannot be achieved in time. There two different categories of skills – managerial skills and technical skills. Some of the managerial skills include listening skills, motivating skills, planning and organizing skills, leading skills, problem solving skill, decision making skills etc. These skills can be enhanced by organizing a series of training and development programmes, career development programmes, induction and socialization etc.

##### Implications for Managers:

Designing an effective performance appraisal system with built-in training facilities will help upgrade the skills of the employees to cope up the demands of the external environment. The lower level cadre in management is required to possess more of technical skills. As they move towards upward direction, their roles will be remarkably changed and expected to have more of human relations and conceptual skills.

##### Improving Quality and Productivity:

Quality is the extent to which the customers or users believe the product or service surpasses their needs and expectations. For example, a customer who purchases an automobile has certain expectation, one of which is that the automobile engine will start when it is turned on. If the engine fails to start, the customer’s expectations will not have been met and the customer will perceive the quality of the car as poor. Deming defined quality as a predictable degree of uniformity and dependability, at low cost and suited to the market. Juran defined it as fitness for use.

##### Implications for Managers:

Today’s managers understand that any efforts to improve quality and productivity must influence their employees. These employees will not only be a major force in carrying out changes, but increasingly will participate actively in planning those changes. Managers will put maximum effort in meeting the customer’s requirements by involving everyone from all the levels and across all functions. Regular communications (both formally and informally) with all the staff at all levels is must. Two way communications at all levels must be promoted. Identifying training needs and relating them with individual capabilities and requirements is must. Top management’s participation and commitment and a culture of continuous improvement must be established.

##### Managing Workforce Diversity:

This refers to employing different categories of employees who are heterogeneous in terms of gender, race, ethnicity, relation, community, physically disadvantaged, homosexuals, elderly people etc. The primary reason to employ heterogeneous category of employees is to tap the talents and potentialities, harnessing the innovativeness, obtaining synergetic effect among the divorce workforce. In general, employees wanted to retain their individual and cultural identity, values and life styles even though they are working in the same organization with common rules and regulations. The major challenge for organizations is to become more accommodating to diverse groups of people by addressing their different life styles, family needs and work styles.

##### Implications for Managers:

Managers have to shift their philosophy from treating everyone alike to recognizing individual differences and responding to those differences in ways that will ensure employee retention and greater productivity while, at the same time not discriminating. If work force diversity is managed more effectively, the management is likely to acquire more benefits such as creativity and innovation as well as improving decision making skills by providing different perspectives on problems. If diversity is not managed properly and showed biases to favor only a few categories of employees, there is potential for higher turnover, more difficulty in communicating and more interpersonal conflicts.

##### Responding to Globalization:

Today’s business is mostly market driven; wherever the demands exist irrespective of distance, locations, climatic conditions, the business operations are expanded to gain their market share and to remain in the top rank etc. Business operations are no longer restricted to a particular locality or region. Company’s products or services are spreading across the nations using mass communication, internet, faster transportation etc. An Australian wine producer now sells more wine through the Internet than through outlets across the country. More than 95% of Nokia hand phones are being sold outside of their home country Finland. Japanese cars are being sold in different parts of globe. Sri Lankan tea is exported to many cities across the globe. Executives of Multinational Corporation are very mobile and move from one subsidiary to another more frequently.

##### Implications for Managers:

Globalization affects a managerial skills in at least two ways: i) an Expatriate manager have to manage a workforce that is likely to have very different needs, aspirations and attitudes from the ones that they are used to manage in their home countries. ii) Understanding the culture of local people and how it has shaped them and accordingly learn to adapt ones management style to these differences is very critical for the success of business operations. One of the main personality traits required for expatriate managers is to have sensitivity to understand the individual differences among people and exhibit tolerance to it.

##### Empowering People:

The main issue is delegating more power and responsibility to the lower level cadre of employees and assigning more freedom to make choices about their schedules, operations, procedures and the method of solving their work-related problems. Encouraging the employees to participate in work related decision will sizably enhance their commitment at work. Empowerment is defined as putting employees in charge of what they do by eliciting some sort of ownership in them. Managers are doing considerably further by allowing employees full control of their work. An increasing number of organizations are using self-managed teams, where workers operate largely without boss. Due to the implementation of empowerment concepts across all the levels, the relationship between managers and the employees is reshaped. Managers will act as coaches, advisors, sponsors, facilitators and help their subordinates to do their task with minimal guidance.

##### Implications for Manager:

The executive must learn to delegate their tasks to the subordinates and make them more responsible in their work. And in so doing, managers have to learn how to give up control and employees have to learn how to take responsibility for their work and make appropriate decision. If all the employees are empowered, it drastically changes the type of leadership styles, power relationships, the way work is designed and the way organizations are structured.

##### Coping with ‘Temporariness:

In recent times, the Product life cycles are slimming, the methods of operations are improving, and fashions are changing very fast. In those days, the managers needed to introduce major change programs once or twice a decade. Today, change is an ongoing activity for most managers. The concept of continuous improvement implies constant change. In yester years, there used to be a long period of stability and occasionally interrupted by short period of change, but at present the change process is an ongoing activity due to competitiveness in developing new products and services with better features. Everyone in the organization faces today is one of permanent temporariness. The actual jobs that workers perform are in a permanent state of flux. So, workers need to continually update their knowledge and skills to perform new job requirements.

##### Implications for Manager:

Managers and employees must learn to cope with temporariness. They have to learn to live with flexibility, spontaneity, and unpredictability. The knowledge of Organizational Behavior will help understand better the current state of a work world of continual change, the methods of overcoming resistance to change process, the ways of creating a better organizational culture that facilitates change process etc.

##### Stimulating Innovation and Change:

Today’s successful organizations must foster innovation and be proficient in the art of change; otherwise they will become candidates for extinction in due course of time and vanished from their field of business. Victory will go to those organizations that maintain flexibility, continually improve their quality, and beat the competition to the market place with a constant stream of innovative products and services. For example, Compaq succeeded by creating more powerful personal computers for the same or less money than IBNM or Apple, and by putting their products to market quicker than the bigger competitors. Amazon.com is putting a lot of independent bookstores out of business as it proves you can successfully sell books from an Internet website.

##### Implications for Managers:

Some of the basic functions of business are being displaced due to the advent of a new systems and procedures. For example – books are being sold only through internet. Internet selling an organization’s employees can be the impetus for innovation and change; otherwise they can be a major hindrance. The challenge for managers is to stimulate employee creativity and tolerance for change.

##### Improving Ethical behavior:

The complexity in business operations is forcing the workforce to face ethical dilemmas, where they are required to define right and wrong conduct in order to complete their assigned activities. For example, Should the employees of chemical company blow the whistle if they uncover the discharging its untreated effluents into the river are polluting its water resources? Do

managers give an inflated performance evaluation to an employee they like, knowing that such an evaluation could save that employee’s job?

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

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

##### Implications for Managers:

Managers must evolve code of ethics to guide employees through ethical dilemmas. Organizing seminars, workshops, training programs will help improve ethical behavior of employees. Retaining consultants, lawyers, voluntary service organizations to assist the company in dealing with ethical issues will ensure positive ethical behavior. Managers need to create an ethically healthy climate for his employees where they can do their work productively and confront a minimal degree of ambiguity regarding what constitutes right and wrong behavior.

### MODELS OF ORGANIZATIONAL BEHAVIOR:

We will look at five models of organizational behavior in this course.

**Autocratic Model**

**Custodial Model**

**Supportive Model**

**Collegial Model**

**Systems Model**

**AUTOCRATIC MODEL:**

* This model depends on **power.** The manager has the power to demand “you do this or else” – and an employee who does not follow orders is punished.
* The manager has formal, official, **authority** over employees.
* This model assumes that employees have to be directed and pushed into doing the work. In this model, management does the thinking, employees obey orders and depend on the manager. Employees are tightly controlled. The manager can hire, fire and “perspire” them. Employees may obey managers but employees may not respect management.

Typically, employees receive minimum pay for minimum expected performance. Employees may have lower skills. Often, employees work in the authority model because they *have to*….to provide subsistence for themselves and their families.

Its weakness is that it leads to “**micro management**” **With micro management**, managers control all details of daily operations. Managers control time and processes, they put their needs above those of employees, they insist on complicated approval processes for even the smallest things and closely monitor all results.

The problem with the **autocratic model** and micro management is that it leads to low employee morale, poor decision-making (no one will make a decision because he/ she is afraid of the decision being over turned) and high turnover. As well, employees kept quiet about hating the workplace, they certainly made their feelings known at home and in the community.

This model can get things done but it has high human costs. It can be useful in crisis situations, within armies or with short-term employees.

**CUSTODIAL MODEL**

In the late 1800’s, employers realized that employees might work better if their basic needs more satisfied, if they were more secure and had a better quality of work life. This was called **paternalism**- taking care of employees by providing them with benefits to meet their security needs.

The **custodial** approach depends on economic resources – money for wages and benefits

- to motivate employees. The company has to have enough money to cover these costs. By the 1930’s most employers were offering welfare programs…for example, housing, medical care and insurance, fewer working hours sick pay, pensions and paid vacation time off.

The problem with the **custodial model** is that it leads to dependence on the organization by the employee because of the security offered. Employees do not want to leave the organization, not so much because they like the job, but because they like or depend on the benefits that go with it. They cannot afford to quit.

In this model, employees may focus on economic rewards. They may be reasonable content, but may not be highly motivated – just passively cooperative.

Companies that adopt the **custodial** approach normally have a lower staff turnover. However, employees do not produce their best work and are not motivated to grow to their full potential. The **custodial model** is a good foundation for organizations to grow to the next approach.

**SUPPORTIVE MODEL**

It depends on leadership, not authority or money. Through leadership, managers provide a work situation in which employees can develop.

The **supportive model** assumes that employees want to work and will take responsibility.

Employees are encouraged to be involved in the organization.

Employees are more strongly motivated because their **status** and **recognition** needs are better met than with earlier models.

The supportive approach is not about money, but about the way people are treated at work. A supportive manager helps employees solve problems and accomplish their work. However, some managers may *agree* with the model but *not actually practice it* at work.

This model is followed widely, especially in the West, because it responds to employee drives for complex needs. It is especially useful in **production** work places. Employees in developing countries are aware of management practices around the world and are demanding more modern approaches.

**COLLEGIAL MODEL**

**Collegial** means people working together cooperatively. In this model, management builds a feeling of partnership with employees. The environment is open and people participate.

The **collegial model** is about team work. Managers are **coaches** to help build better teams. Employees are responsible – they feel obliged to others on the team to produce quality work. Employees must be self-disciplined. Many employees feel satisfied that they are making a worthwhile contribution. This leads to self actualization and moderate enthusiasm in the way they perform.

The **collegial model** is especially useful for **creative** work, like marketing or communications or in thinking environments, like education or planning.

**THE SYSTEM MODEL**

This is the most recent model. In this model, people want more than money, job security and cooperative teams. Employees today want trust, an ethical workplace, managers who show care and compassion and a workplace that has a sense of community.

The **system model** focuses on “identifying developing and managing the strengths within employees”. Managers focus on “helping employees develop feelings of hope, optimism, self confidence, empathy, trustworthiness, esteem, courage, efficacy and resiliency.”

In the system model, “Managers protect and nurture their employees…to develop a positive workplace culture which leads to organizational success and committed employees.”

Both managers and employees need **social intelligence** in this model with managers as facilitators.

In the **system model**, managers and employees see the mutual benefits and obligations they share in the complex system (the organization). Everyone has psychological ownership for the organization, its products and services. Everyone feels possessive, responsible and “at home” in the organization.

Employees can reach a state of self motivation. Their highest order needs are met. They have passion and commitment to organizational goals, not just their own personal wants and needs.

##### TABLE 1 FIVE MODELS OF ORGANIZATIONAL BEHAVIOR (NEWSTROM 33)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Autocratic | | Custodial | Supportive | Collegial | System |
| **Based on** | Power | Economic resources | Leadership | Partnership | Trust, sharing |
| **Managerial Orientation** | Authority | Money | Support | Teamwork | Caring, compassion |
| **Employee Orientation** | Obedience | Security and benefits | Job performance | Responsible behavior | Psychological ownership |
| **Employee psychological result** | Dependence on boss | Dependence on organization | Participation | Self- discipline | Self motivation |
| **Employees needs met** | Subsistence (survival) | Security | Status and recognition | Self- actualization | Wide range |
| **Performance result** | Minimum | Passive cooperation | Awakened drives | Moderate enthusiasm | Passion and commitment to organizational goals |

**CONCLUSIONS**

Models have changed over time. The choice of model depends on employee needs and the situation. Any of the models work in *some* situations. There is a trend toward the newer models.

The Model used depends on the knowledge and skills of managers, the expectations of employees, the policies and ways of life in the organization and the nature of the work e.g. low skilled, high programmed work, temporary work, or intellectual work.

### INTRODUCTION

**LEARNING**

If a manager wants to explain and predict human behaviour, he/she needs to understand how learning occurs or how people learn. So it is very very necessary to know the nature, process and principles of learning.

According to S.P. Robbins, “learning is any relatively permanent change in behaviour that occurs as a result of experience.”

### LEARNING PROCESS/NATURE

Theories of Learning: Learning is part of every one’s life. In our life, all complex behavior is learned. Learning is defined as any relatively permanent change in behavior that occurs as a result of experience. Whenever any change occurs learning is taken place in the individual. If an individual behaves, reacts, responds as a result of experience which is different from others, a person has encountered some new learning experience in his life. This definition consists of the following four key elements:

1. **Change process:** Learning involves some change in oneself in terms of observable actions explicitly shown to others or change in one’s attitude or thought process occur with oneself implicitly. Change may be good or bad or positive or negative from an organization point of view. If a person is happened to experience some negative incidents, that person will hold prejudices or bias or to restrict their output. On the contrary, if a person is encountering some good incident, that person is likely to hold positive attitude.
2. **Permanent change:** Due to whatever exposure a person encounters, the impact what it generates may be long lasting and permanent. Hence, the change must be of relatively permanent. If change occurs due to fatigue or alcohol consumption or temporary adaptation, it may be vanished once the goal is achieved.
3. **Setting behavioral actions:** Explicit changes occurring in behavior is the main goal of learning process. A change in an individual’s thought process or attitudes without any changes in any explicit behavior will not be considered as learning process.
4. **Need for meaningful experiences**: Some form of experiences is necessary for learning. Experience may be acquired directly through observation or practice. If experience results in a relatively permanent change in behavior, one can confidently say that learning has taken place. Theories of Learning: There are three types of learning theories. These theories are classical conditioning, operant conditioning and social learning.

##### FACTORS AFFECTING LEARNING

* + Motivation of the learner
  + Mental set of the learner
  + Nature of Learning Material
  + Practice
  + Environment

##### CLASSICAL CONDITIONING THEORY

Russian physiologist Ivan Pavlov developed classical conditioning theory. When he was doing a research on the chemical properties of saliva of dog, he noticed accidentally that the dog started salivating the moment hearing the sound of a door of cupboard clinging. Based on his observation, he wanted to do some experiment whether the dog can be conditioned to respond to any neutral stimuli. He used a simple surgical procedure to operate the salivary glands of a dog to measure accurately the amount of saliva.

**Pavlov’s Experiment**: Pavlov conducted his experiment in three stages.

**Stage I:** When Pavlov presented the dog with a piece of meat, the dog exhibited a noticeable increase in salivation. The meat is unconditional stimulus and salivation is unconditional response.

**Stage II:** In this stage, the dog was not given a peace of meat but only exposed to a sound of ringing bell; the dog did not salivate to the mere sound of a ringing bell.

**Stage III:** Pavlov decided to link both the presentation of meat and the ringing of a bell one after the other with an interval of 5 minutes. After repeatedly hearing the bell before getting the meat, the dog began to salivate as soon the bell rang. There is an association or link between meat and ringing a bell. After repeating the association between meat and ringing a bell, the dog started salivating merely at the sound of the bell, even if no food was offered. The dog is now conditioned to respond to a sound of a bell and started salivating. This is called classical conditioning process.

Thus, classical condition is defined as the formation of S-R link (Stimulus-Response) or habit between a conditioned stimulus and a conditioned response through the repeated paring of conditioned stimulus with an unconditioned stimulus.

In this experiment, the meat is unconditioned stimulus, and the expected response that is, salivating to the meat is called as unconditioned response. The sound of a bell is a neutral stimulus which does not have any property to elicit salivation, is called as conditioned stimulus. Although it was originally neutral, if the bell was paired with meat (unconditioned stimulus) it acquired the same property as meat eliciting the salivation.

The sound of a bell produced salivation when presented alone. This is called conditioned response, that is, now the dog is conditioned to respond to the sound of a bell. Learning conditioned response involves building up an association between a conditioned stimulus and unconditioned stimulus. When the stimuli, one is natural and the other one neutral are paired, the neutral one becomes a conditioned stimulus and hence takes on the properties of the unconditioned stimulus.

##### APPLICATION OF CLASSICAL CONDITIONING PRINCIPLES AT WORK

Whenever President or Vice-President of Corporate Office visits factory site the employees in the shop floor will more attentive at work and look more prim, proper and active in their work life. It is quite natural that top management personnel visit (Unconditioned Stimulus) evoking or eliciting a desired response- being prim and proper at work from the employees (Unconditioned Response). The routine cleaning of windows or floor of the administrative office will be neutral stimulus never evoking any response from the employees. If the visit of the top management personnel is associated with such cleaning process, eventually the employees would turn on their best output and look prim and active the moment windows and floor are being cleaned up. The employees had learned to associate the cleaning of the windows with a visit from the head office. The cleaning process (conditioned stimulus) evoked attentive and active work behavior (conditioned response). Similarly, Christmas Carols songs bring pleasant memories of childhood as these songs are being associated with the festive Christmas Spirit.

Classical conditioning is passive. It is elicited in response to a specific, identifiable event. **OPERANT CONDITIONING**

Operant conditioned principle is proposed by B.F. Skinner, an American Psychologist. It is a type of conditioning in which desired voluntary behavior leads to a reward or prevent a punishment. Operant conditioning principle emphasizes strongly that the behavior of an individual is a function of its consequences. If the consequences are pleasant, the behavior associated with such consequences will be repeated again and again. If the consequences are unpleasant, the behavior will be in extinct. The rationale behind this theory is that people learn to behave in order to get something they want or to avoid something they don’t want. Operant condition is learned process. The tendency to repeat such behaviour is influenced by the reinforcement or lack of reinforcement brought about by the consequences of the behavior. The proper reinforcement strengthens a behavior and increases the likelihood that it will be repeated. Skinner’s Experiment: Skinner developed an apparatus to conduct a series of learning experiment using rats. He named that apparatus as Skinner’s Box which has certain features such as a lever, bowl, light, water container etc. A highly deprived rat is placed in the box. Once a rat nudges or touches or hits the lever attached in the corner of the box, a piece of food pellet is dropped in the bowl. By trial and error, the rat learns that hitting the lever is followed by getting a food pellet in the bowl. Skinner coined the term operant response to any behavioral act such as pressing or hitting or nudging the lever that has some effect on the environment. Thus in a typical experiment with a skinner box, hitting or pressing the lever is an operant response, and the increased rate of lever hitting or pressing that occurs when the response is followed by a pellet of food exemplifies operant conditioning.

##### APPLICATION OF OPERANT CONDITIONING IN WORK LIFE

If a sales person who hits the assigned target of sales quota will be reinforced with a suitable attractive reward, the chances of hitting further sales target in future will be exemplified. Skinner argued that creating pleasant consequences (giving attractive rewards) to follow specific forms of behavior (hitting sales target) would increase the frequency of that behavior. People will most likely engage in desired behaviors if they are positively reinforced for doing so. Rewards are most effective if they immediately follow the desired response. In addition, behavior that is not

rewarded is less likely to be repeated. A commissioned sales person wanting to earn a sizeable income finds that doing so is contingent on generating high sales in his territory.

##### COGNITIVE LEARNING THEORY

Cognition refers to an individual’s thoughts, knowledge, interpretations, understandings or views about oneself and his/her environment. Based on it cognitive theory argues that the person tries to formhis/her cognitive structure in memory, which preserves and organizes all information relating to the events that may occur in learning situation. Here an experiment was conducted on a monkey by Kohler. Kohler presented two sticks to a monkey in a cage. Both sticks were too short to reach a banana lying outside cage. This produced an experience, or say, cognition, insight monkey. What monkey did without any prior exposure, joined both sticks together and pulled the banana inside the cage. Clearly learning took place inside the mind of monkey. Thus, the learning process involved in this case is putting or organizing bits of information in a new manner perceived inside the mind. This type of learning is very imp in organizational behaviour for changing attitudes by the individuals.

##### SOCIAL LEARNING THEORY

People learn through both observation and direct experience, which is called as social learning theory. Individual learn by observing what happens to other people and just by

being told about something, as well as by direct experiences. By observing people around us, mostly from parents, teachers, peers, films and television performers, bosses, we learn new behavior pattern.

The following four processes are vital to determine the influence that a model will have on an individual.

1. **Attention Process:** People learn from a model only when they recognize and pay attention to its critical features. People tend to be most influenced by models that are attractive, repeatedly available similar to us in our estimation.
2. **Retention Process**: A model’s influence will depend on how well the individual remembers the model’s action after the model is no longer readily available.
3. **Motor Reproduction Process:** After a person has seen a new behavior by observing the model, the watching must be converted to doing. This process then demonstrates that the individual can perform the modeled activities.
4. **Reinforcement Process**: Individual will be motivated to exhibit they modeled behavior if positive incentives or rewards are provided. Behavior that is positively reinforced will be given more attention, learned better and performed more often.

MODULE-2 **PERSONALITY**

### INTRODUCTION

People tend to have a general notion that personality refers to a personal appearance with charming smile, or outlook. But psychologists view the concept as dynamic in nature concerned with growth and development of a person’s whole psychological system. Personality can be defined as the consistent psychological patterns within an individual that affect the way they interact with others and the situations they encounter. Personality is defined as relatively stable and enduring characteristics that determine our thoughts, feelings and behavior. Personality is a complex phenomenon and there are various perspectives of personality construct. One common and simple definition of Personality is: It is the consistent psychological patterns within an individual that affect the way they interact with others and the situations they encounter.

### PERSONALITY

The word personality has been derived from the Latin word “personare”.It means to speak through. It describes the person as a whole. It is the sum total of ways in which an individual reacts and interacts with others.

In the opinion of **Ruch,** “personality can be described as how he understands and views himself, and his pattern of inner and outer measurable traits.”

##### PERSONALITY DETERMINANTS

There are several factors that determine the formation or shaping of our personality.

Among them the three major factors are: Heredity, Environment and Situation.

**BIOLOGICAL FACTORS HEREDITARY:**

Personality may be hereditary, that is, transmitted from parents to their children through genetics. Research done on animals has suggested this theory; however, there is inconclusive proof whether this theory may work with humans. It is more likely that only human temperament is transmitted through genetics.

**BRAIN:**

Psychologists find it difficult to empirically relate brain physiology to personality. However, from the electrical stimulation of the brain, they have realized that a better understanding of human personality may come from the study of the brain.

**PHYSICAL FEATURES:**

Physical characteristics of a person have a tremendous influence on his/her personality.

Physical characteristics may include height, weight, attractiveness, skin color, gender, etc. **FAMILY & SOCIAL FACTORS:**

Social processes such as our interaction with our parents during childhood may have a great influence on our personalities. When we interacted with our parents, we picked up their behavior. In fact, there is empirical evidence that the environment parents create at home shapes their child's personality. For example, a child brought up in a violent home may grow up to be aggressive. The things that revolve and evolve around us on a regular basis determine our personality. The society that we live in, the cultural environment that we face daily, the community we get interacted to, all are included in this factor. Relationships, co-ordination, co- operation, interaction, environment in the family, organizations, workplaces, communities, societies all contribute in way or another as personality determinants.

**CULTURAL AND RELIGIOUS FACTORS:**

The culture in which one lives in, that may involve traditional practices, norms, customs, procedures, rules and regulations, precedents and values, all are important determinants of personality.

Moreover, the creed, religion and believes are also very important factors of personality determinants.

##### SITUATIONAL FACTOR:

The type of specific situation which a person encounters also equally shapes the type of personality characteristics. For example, an individual’s exposure to a job interview and the type of experiences encountered during that time will shape certain personality characteristics. Similarly, going for a picnic with friends and encountering the type of experiences whether pleasant and unpleasant will shape the personality characteristics of individuals.

### KEY PERSONALITY TRAITS RELEVANT TO WORK BEHAVIOR

##### SELF ESTEEM:

It refers to the individuals’ self worthiness and the extent to which they regard themselves as capable, successful, important and worthwhile. People who feel good about themselves will always produce good results. Studies of self-esteem show that it is closely related to mental health. People with low self-esteem are more likely to suffer depression and greater stress. People with positive self-esteem adjust to life better and deal everyday problems more effectively. Individuals’ with high self-esteem will try to take up more challenging assignments and be successful, which in turn, enhance their overall self-concept. People with high self esteem would tend to classify themselves as highly valuable in the organization.

##### LOCUS OF CONTROL:

It refers to the extent to which people tend to have control over their own fate and life.

There are two type of locus of control. The Internal Locus of Control refers to those who believe that they control what happens to them and shape the course of their evens in their lives, whereas the External Locus of Control believe that what happens to them is controlled by outside forces such as luck or chance. Internals always believe in putting more effort and seek more job related information, rely more on their own abilities and judgment at work, and more actively seek opportunities for advancement.

##### SELF EFFICACY:

It refers to the belief that a person has in their own capability to perform a specific task.

People with high self-efficacy will prefer to have moderate level of task difficulty, strong self- confidence and conviction in the chosen tasks and possess high expectation in completing the assignment across the entire situation. Employees with high self-efficacy respond to specific negative feedback about their performance with increased motivation and effort, while those with low self-efficacy are more likely to give up and reduce their motivation.

##### SELF-MONITORING:

It refers to the extent to which a person has the ability to adjust his or her behavior to external or situational factors. Those with high self-monitoring will be more sensitive and notice the significant changes occurring in the environment and able to adapt them by adjusting their behavior. High self-monitors are capable of exhibiting a striking contrast between their public persona and their private self. Low self-monitors cannot disguise their behavior and tend to exhibit the same behavior all the time.

##### EMOTIONAL INTELLIGENCE:

It is also called as EQ which refers to individual’s ability to be aware of feelings and emotions and the extent to which they can manage them more effectively in dealing with others and challenging events. It consists of five main abilities:

1. Knowing one’s emotions: Self-awareness and recognizing ones feelings as it occurs
2. Managing emotions: Handling feelings and emotions appropriately to the relevant situations
3. Motivating oneself: Directing the feelings and emotions in such a way to fulfilling the desired goals
4. Recognizing emotions in others: Empathizing and understanding the feelings and emotions for others
5. Handling Relationships: Being able to interrelate, communicate and work with others

Emotional Intelligence (EI) is very closely linked to our self-concept, because it is strongly related to self-awareness.

##### VI) BIG PERSONALITY TRAITS

There are five Big Personality Traits which have a significant impact in individual’s life.

They are as follows:

1. **Extroversion:** Extroverts are sociable, lively, and gregarious and seek outward interaction. Such individuals are likely to be most successful working in marketing division, public relations etc. where they can interact face to face with others. Introverts are quite, reflective, introspective and intellectual people, preferring to interact with a small intimate circle of friends. Introverts are more likely to be successful when they can work on highly abstract ideas (accountant, R&D work etc.) in a relatively quite atmosphere.
2. **Agreeableness:** This refers to the extent to which individuals agreeing and cooperating with others. Highly agreeable people are cooperative, warm and trusting. People who score low on agreeableness are cold, disagreeable and antagonistic. This characteristic is very important and critical in attaining a successful achievement in their life.
3. **Conscientiousness:** This refers to the extent to which people are responsible and dependable in their work and life. A highly conscientiousness person is responsible, organized, dependable and persistent. They are likely to move upward direction very quickly and attain remarkable achievement in their life. Those who score low on this dimension are easily distracted, disorganized and unreliable.
4. **Emotional Stability:** This refers to the extent to which people have the ability to withstand stress. People with positive emotional stability tend to be calm, self-confident and secure. Those with highly low level of emotional stability tend to be nervous, anxious, depressed and insecure.
5. **Openness to experience:** This refers to the extent to which people are more imaginative, artistic sensitivity and intellectualism. Individuals tend to vary widely ranging from conservative to creative or artistic. Extremely open people are creative, and artistically sensitive. Whereas not so open category personnel are very conservative and find comfort in the familiar or routine activities.

##### PERSONALITY TYPES (MBTI)

MBTI describes four dimensions of Personality Types:

1. Extroversion versus Introversion: (The ways in which people relate to the world)
2. Sensing versus Intuition: (Becoming aware of and perceiving information)
3. Thinking versus feeling: (Ways of deciding and prefer to make judgments)
4. Judging and Perception: (The amount of control exercising and organizing people)

##### Extroversion and Introversion:

This deals with whether the focus of attention is directed towards outwardly or inwardly. Where do you prefer to focus your attention?

##### Extroversion:

Extroverted attention flows outward to the world of objects and people or external ideas.

They are interacting more with people.

Characteristics associated with people who prefer Extraversion are:

□□Attuned to external environment

□□Prefer to communicate by talking

□□Work out ideas by talking them through

□□Have broad interests

□□Sociable and expressive

□□Readily take initiative in work and relationships

Extroverts are usually active, sociable, like variety and stimulation, and are often good speakers, sales people or public relations professionals.

##### Introversion:

Introverted attention focused on the subjective, inner world of thoughts, feelings and ideas. Introverts like quit reflection, can concentrate on one idea or thought for longer than an extrovert, and are less active and prone to change.

Characteristics associated with people who prefer Introversion are:

□□Drawn to their inner world

□□Prefer to communicate in writing

□□Work out ideas by reflecting on them

□□Learn best by reflection, mental “practice”

□□Focus in depth on their interest

□□Private and contained

Research scientists, academicians and librarians are often introverts.

##### Sensing Versus Intuition:

This aspect deals with the ways of collecting information and ideas.

##### Sensing

A person with a sensing preferences focuses on the specific, practical and tangible. The sensing person relies more on the physical or material reality of the world of the five senses: touch, sight, sound, taste or smell. Sensing managers take in information through their senses and attend to the details of the problem. They like to solve problems in standard ways. They are patient with routine details and are precise in their work. They distrust creative inspirations and usually work all the way through to reach conclusions.

They emphasize action, urgency and bottom-line results. Characteristics associated with people who prefer Sensing:

□□Oriented to present realities

□□Factual and concrete, precise and practical

□□Focus on what is real and actual

□□Observe and remember specifics

□□Build carefully and thoroughly toward conclusions

□□Understand ideas and theories through practical applications

□□Trust experience

The sensing person is likely to provide a practical solution to problems. They may be good at repairing machines, sports, building, handicrafts, or keeping the detailed records of a business.

Sensation Feelers (SF) deal with concrete problems in a methodical way. They have astute powers of observation regarding the details of how an organization is run. SFs do not fight the system, but use what is available for problem solving. SFs are nonjudgmental of their co- workers and do not look for underlying motives and meanings in people’s behavior. If organizations do not have adequate SF’s, small problem will go unattended till they become big. Possible Shortcomings: SF’s may be reluctant to accept new ideas and are impatient with abstract theories. They react adversely to radical changes. They have difficult honoring commitments and decision made in the past since they live full in the present moment.

##### Intuition

This person relies more on their insights and based on that they guess, assume and draw the inferences. Ideas, associations or creative process often accompany the presence of intuition. They focus on the relationships and connections between facts. Intuition manager like solving new problems and are impatient with routine details. They perceive the problem in its totality and consider several alternatives simultaneously. They are imaginative and futuristic, enjoying mind testing games.

Characteristics associated with people who prefer Intuition:

□□Oriented to future possibilities

□□Imaginative and verbally creative

□□Focus on the patterns and meanings in data, sees beyond the surface

□□Remember specifics when they relate to pattern

□□Move quickly to conclusions, follow hunches

□□Want to clarify ideas and theories before putting them into practice

□□Trust inspiration

The intuitive person is likely to have an affinity for music, literature, the arts, higher mathematics, and science and abstract theories. People with high level of intuition are also likely to be creative, adaptable and open to new ideas, and they are often artists, musicians, strategic players or architects. Intuitive Thinkers (NT) are the architects of progress and ideas. They are interested in the principle on which the organization is built and seek answers to he significant events. They have enormous drive and are creative. If organizations do not have adequate number of NT’s, change will be minimal. Shortcomings of Intuitive Thinkers: Intuitive Thinkers may not always be aware of the feelings of others. Unless subordinates are intellectually competent, they may not be considered valuable. They expect a great of themselves and others and tend to escalate standards.

##### Thinking versus Feeling:

These deals with the way people make decisions. **Thinking**

The person with a preference for thinking tends to be objective, analytical and impersonal in decision and judgments. Thinking managers are logical and analytical in their problem solving and search for additional information in a logical manner.

Characteristics associated with people who prefer Thinking:

□□Solve problem with logic,

□□Use cause and effect reasoning

□□Strive for an objective standard of truth

□□Can be “tough-minded”

□□Fair – want everyone treated equally

As this person is logical in analysis, he is good at organizing, scheduling, comparing, analyzing and quantitatively evaluating objections and activities. Sensation Thinkers (ST) are decisive and excellent at decisions involving precise interpretations of facts and figures. They are persevering and precise. They want the organization run on an impersonal basis. They are hardworking and super dependable. Organizations run efficiently because of such managers.

Possible Shortcomings: STs cannot tolerate delays due to complications. In periods of rapid changes they still cling to rules and procedures which is dysfunctional. When dealing with others, STs may not accurately perceive the interpersonal process. They withhold rewards unless full deserved others.

##### Feeling

People who use feelings to make decision are more likely to be empathetic, loyal, and appreciative and tactful. Feeling types consider the person and are likely to bend the rules if the situation warrants. Feeling managers heavily emphasize the human aspects in dealing with organizational problems and is more process oriented. They enjoy pleasing people and avoid conflicts. Intuitive Feelers (NF) have personal charisma and commitments to the people they lead. They communicate their caring and enthusiasm. They are comfortable in an unstructured, group-centered management system that lets employees participate in the decision making process. If adequate NF’s are not available in organization, an organization will become cold, sterile and dull.

**Possible Shortcomings:** NF’s make decision on the basis of personal likes and dislikes. They often try to please others all the time.

Characteristics associated with people who prefer Feeling:

□□Empathetic

□□Guided by personal values

□□Assess impacts of decisions on people

□□Strived for harmony and positive interactions

□□Compassionate

□□May appear “tenderhearted”

They like helping other people and often work as nurses, counselors and artists. They use past experiences and values and seek harmony when making judgments.

##### Judgment versus Perception

This aspect deals with the amount of control a person has over events and organizing

things.

##### Judgment

The strong Judgment oriented people tend to live in a planned, decided and orderly way, wanting to regulate their life and control events. They are given more responsibility and authority because their operating mode is stable and predictable.

Characteristics associated with people who prefer Judging:

□□Scheduled

□□Organize their lives

□□Systematic

□□Methodical

□□Make short and long term plans

□□Like to have things decided

□□Try to avoid last-minute stresses

The person with a strong orientation for judgment will therefore be good at making decision and planning. They usually make good managers, engineers and lawyers.

##### Perception

Perceptive people tend to live in a flexible, spontaneous way, wanting to understand life and adapt to it. They often appear to be more relaxed and less organized than judging types and are less attracted to schedules and routines.

Characteristics associated with people who prefer Perceiving:

□□Spontaneous

□□Flexible

□□Casual

□□Open-ended

□□Adapt, change course

□□Like things loose and open to change

□□Feel energized by last minute pressures.

The perceptive type, on the other hand, may wait until all the information and aspects of a situation are seen before they make a decision. Artists, consultants, musicians and counselors tend to be perception oriented.

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**OTHER KEY PERSONALITY CHARACTERISTICS RELEVANT TO WORK PLACE:**

Some of the important personality factors that determine what kinds of behaviors are exhibited at work include need patterns, locus of control, introversion and extroversion, tolerance of ambiguity, self-esteem and self-concept, authoritarianism and dogmatism, Machiavellianism, Type A or B Personality and work ethic.

##### Authoritarianism and Dogmatism:

People who are likely to have authoritarian orientation tend to use their power more aggressively towards their subordinates and create a very defensive climate in the department, while at the same time they are being very submissive or docile towards their supervisors. Dogmatism refers to the extent to which people are flexible or rigid in dealing others. Managers who are exhibiting these traits are likely to be detached from others and people show much of hatred ness in them.

A combination of high authoritarianism and dogmatism is obviously not conducive to creativity and organizational effectiveness since new ideas that people at lower levels in the system have will neither be listened to nor implemented. Certain societies tend to accept authority much better than others, and hence authoritarianism can be traced to needs of dependency in members in some cultures who feel comfortable when they are ‘told’ the ways in which things have to be carried out in their work.

##### Machiavellianism:

This refers to the extent to which people are manipulative and tactic in achieving one’s own goals. These people strongly believe that ends can justify means. People who are high Machiavellian tend to be cool, willing to twist and turn facts to influence others and try to gain control of people, events, and situations by manipulating the system to their advantage. High Machiavellians may be successful only for a short period but in long run they tend to be distrusted and disliked by many in the department and finally they may be ineffective.

High-Machiavellians manipulates more, win more, are persuaded less and have a grater influence over other people than do low-Machiavellians. Yet these High-Machiavellians outcomes are moderated by situational factors. It has been found that High- Machiavellians flourish:

□□when they interact face-to-face with others rather than indirectly

□□when the situation has a minimum number of rules and regulations, thus allowing latitude for improvisation

□□where emotional involvement with details irrelevant to winning distracts low- Machiavellianism

□□when forming coalitions which they use to their advantage.

The following are the strategies to protect against the manipulative actions of High- Machiavellians:

1. Expose them to others: Expose the broken promises, manipulative strategies and lies of high- Machiavellian to others.
2. Pay attention to what people do, not to what they say: High-Machiavellians make great promises and are great persuaders, so pay attention to the action that a person carries out and avoid being swayed by smooth promises
3. Avoid situations that give high-Machiavellians the edge: Do not make decisions quickly where emotions are high and a person puts forward a persuasive argument and pushes for an immediate decision. Try not to face this person on a one-to-one basis. Invites others to participate in the meeting.

##### Risk Taking

This refers to the extent to which people are willing to take chances. This propensity to assume or to avoid risk has been shown to have an effect on their decision making capabilities and information gathering process. High risk taking managers made more rapid decision and used less information in making their choices than did the low risk taking managers.

The requirement of Risk taking propensity varies from the different types of job demands. For instance, a high risk taking propensity may lead to more effective performance for a stockbroker in brokerage firm than an accountant whose job demands more cautious approach in dealing each and every one of the things. An accountant performing auditing activities is expected to have low-risk taking propensity as his nature of job demands to follow a book of rules and regulations.

##### Type A and Type B Personality

This refers to the extent to which people tend exhibit certain characteristics. Type A person feels a chronic sense of time urgency, are highly achievement oriented, exhibit a competitive drive and are impatient when their work is slowed down for any reason. Type B persons are easygoing individuals who do not have sense of time urgency, and who do not experience the competitive drive.

##### Type A Personality

□□Competitive

□□High Need for Achievement

□□Aggressive

□□Works Fast

□□Impatient

□□Restless

□□Extremely Alert

□□Tense Facial Muscles

□□Constant Time Pressure

##### Type B Personality

□□Able to Take Time to Enjoy Leisure

□□Not Preoccupied with Achievement

□□Easy Going Works at Steady Pace

□□Seldom Impatient

□□Relaxed

□□Not Easily Frustrated

□□Moves Slowly

□□Seldom Lacks Enough Time

Narcissism A person high in **narcissism** has a grandiose sense of self-importance, requires excessive admiration, has a sense of entitlement, and is arrogant. The term *narcissist* comes from the Greek myth of Narcissus, the story of a man so vain and proud that he fell in love with his own image.

In terms of the workplace, one study found that while narcissists thought they were *better* leaders than their colleagues, their supervisors actually rated them as *worse* leaders.

##### Tolerance for Ambiguity

This dimension refers to the extent to which individuals are threatened by or have difficulty coping with situations that are ambiguous, where change occurs rapidly or predictably, where information is inadequate or unclear or where complexity exists. This personality characteristic indicates the level of uncertainty that people can tolerate without experiencing undue stress and can still function effectively. Managers with higher tolerance of ambiguity scores are more likely to be entrepreneurial in their actions, to screen out less information in a complex environment, and to choose specialties in their occupations those possess less-structured tasks. It is also reported that individuals who are more tolerant of ambiguity have more difficulty focusing on a single important element of information – they are inclined to pay attention to a variety of items – and they may have somewhat less ability to concentrate without being distracted by interruptions. There are three dimensions in Tolerance of Ambiguity. They are Novelty, Complexity and Insolubility.

**Tolerance of Ambiguity towards Novelty:** This refers to the extent to which you are tolerant of new, unfamiliar information or situations.

**Tolerance of Ambiguity towards Complexity**: This refers to the extent to which you are tolerant of multiple, distinctive or unrelated information.

**Tolerance of Ambiguity towards Insolubility:** This refers to the extent to which you are tolerant of problems that are very difficult to solve alternative solutions are not evident, information is unavailable or the problems compensate seem unrelated to each other.

In general, the more tolerant people are of novelty, complexity, and insolubility, the more likely they are to succeed as managers in information-rich, ambiguous environment. They are less overwhelmed by these ambiguous circumstances.

##### Role of Personality in Organisational Behaviour

Personality plays a key role in organizational behavior because the way that people think, feel, and behave affects many aspects of the workplace. People's personalities influence their behavior in groups, their attitudes, and the way they make decisions. Interpersonal skills hugely affect the way that people act and react to things during work. In the workplace, personality also affects such things as motivation, leadership, performance, and conflict. The more that managers understand how personality in organizational behavior works, the better equipped they are to be effective and accomplish their goals.

People have many different views of the world that affect their personalities. When a situation arises, an individual will handle it based upon his or her personal values, beliefs, and personality traits. These traits are developed throughout a person's lifetime and cannot be easily changed, so it is more helpful for managers to attempt to understand this rather than to fight it.

Traits such as openness, emotional stability, and agreeableness all predict that an individual will have less conflict, work better in teams, and have positive attitudes about his or her work. People with this type of personality should be placed in situations where they would be working with or leading others. Those who do not have these traits will have less motivation and be more negative when they are placed in these same situations.

Positive interpersonal skills is a personality trait that greatly affects the workplace. Individuals who exhibit this trait generally enjoy working with other people, and they have the empathy and sensitivity that enables them to get along well with others. People with this trait are often placed in roles where they work with customers, manage employees, or mediate problems.

Decision-making and independence are greatly affected by personality. Personality traits such as self-efficacy, conscientiousness, and pro-activity contribute to good decision-making under pressure and independence, while traits such as neuroticism and not being open do not. Managers can place individuals with these traits in appropriate positions to do their best work.

Placing individuals with certain characteristics in jobs that best suit them raises their levels of motivation. It also affects their overall job performance because they are happier on a daily basis. This affects the overall productivity of the workplace because more is getting accomplished due to better attitudes and happier employees.

# PERCEPTION

In simple sense Perception means perceiving i.e. giving meaning to the environment around us. Perception is the process by which people select, organize and interpret information to form a meaningful picture of the world.

According to **Robbins,** “perception as a process by which individuals organize and interpret their sensory impressions in order to give meaning to their environment.”

##### FACTORS AFFECTING PERCEPTION/PERCEPTUAL DISTORTION/PERCEPTUAL ERROR

There are three factors related to the perception. Those are-factors related the perceiver, factors relate to the perceived, Factors related to the situation.

##### FACTORS RELATED THE PERCEIVER

1. **projection**: The perceiver tries to project his personality attributes in others is known as projection. For e.g. if the perceiver is a , , then he treats the perceived to be a talkative though this may not be true.
2. **Mental makeup:** Sometimes the perceiver has pre set notion in his mind about certain objects, events and people. The moment he has to deal or act upon those events, he already knows how to act or react as he has made his mental set up to deal with such situations.
3. **Stereotyping:** It is a tendency to judge people based on the perception of the group to which he belongs. We tend to attribute favorable or unfavorable characteristics to the individual based on upon widely held generalization about the group. For instance, we perceive that Japanese

in general are hard working, quality conscious and industrious, and based on that we generalize that all Japanese are like that, but in reality it may not be so. There are some Japanese who may not possess the above mentioned characteristics**.**

1. **Halo Effect:** It is tendency to draw a general overall impression about an individual based on single striking characteristics. For instance, if a person speaks English fluently, we tend to assume that that person is very knowledgeable, intelligent, smart, clever etc. hard working, smart etc.
2. **First Impression :**The perceiver forms an impression about the perceived when he meets him for the first time. First impression is normally difficult to change, as is said-First impression is the last impression.
3. **Recency Effect:** Recency effect is the effect that the recent event has on the perceiver. During performance appraisal, the employees are rated on the basis of their latest performance. The earlier performance is ignored. This is not the satisfactory method so it leads to error in perceptual error.

##### FACTORS RELATED TO THE PERCEIEVED

**Status of the perceived**: Generally status overpowers the actual characteristic. When perception is made about a person who has high status in terms of position or wealth, he is generally perceived to be high on ranking than a person with low status.

**Closeness with the perceived:** If a person is close to another person in relationship, the perceived will be ranked high because of this relationship even though, in a particular situation, he may have behaved negatively.

##### Factors related to the situation:

Situation plays an important role in forming perception about a person. A person sitting in a five star hotel is perceived differently than a person sitting in a small hotel.

##### PERCEPTUAL PROCESS:

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

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

as the self concept, belief, expectation, response disposition of the perceiver.

**Stage III: Organisation of stimuli** : The selected stimuli is organized in the perceiver’s mind to give it a meaningful term. The perceiver is influenced by figure and ground and percetual grouping .

##### Figure and Ground:

What a person observes is dependent on how a central figure is being separated from its background. This implies that the perceived object or person or event stands out distinct from its background and occupies the cognitive space of the individual. In a dance programme, the spectators’ tend to perceive the dance performance against the back ground music, backdrop setup etc. The perceiver thus tends to organize only the information which stands out in the environment which seems to be significant to the

individual.

**Perceptual Grouping:** It means grouping stimuli into an organized pattern. It happens on the basis of proximity, similarity and closure.

**Proximity:** People tend to perceive things, which are nearer to each other, as together as group rather than separately. If four or five members are standing together, we tend to assume that they are belonging to same group rather than as separately. As a result of physical proximity, we often put together objects or events or people as one group even though they are unrelated. Employees in a particular section are seen as group.

**Similarity:** Persons, objects or events that are similar to each other also tend to be grouped together. This organizing mechanism helps us to deal with information in an efficiently way rather than getting bogged down and confused with too many details. For examples, if we happen to see a group of foreign nationals at an International seminar, Indians are grouped as one group, British as another, Americans as yet another based on the similarity of nationalities.

**Closure:** In many situation, the information what we intend to get may be in bits and pieces and not fully complete in all respects. However, we tend to fill up the gaps in the missing parts and making it as meaningful whole. Such mental process of filling up the missing element is called as closure. For example, while giving promotions to the staff members, the managers will try to get full information to make an effective decision, in absence of getting complete information, managers try to make meaningful assumptions and based on that suitable decision will be made.

**Stage IV: Interpretation:** Assigning meaning to data is called interpretation. Once the inputs are organized in human mind, the perceiver interpretes the inputs and draws conclusion from it. But interpretation is subjective as different people interpret the same information in different ways.

**Stage V: Behavior Response or Action:** In this stage the response of the perceiver takes on both covert and overt characteristics. Covert response will be reflected in the attitudes, motives, and feelings of the perceiver and overt responses will be reflected in the actions of the individual.

**PERCEPTION AND ITS APPLICATION IN ORGANISATIONS**

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

**Employment Interview:** Interviewers make perceptual judgments that are often inaccurate. Different interviewers see different things in the same candidate and arrive at different conclusions about the applicant. Employment interview is an important input into the hiring decision, and perceptual factors influence who is hired and vis-à-vis the Quality of an organistaions labour force.

**Performance Appraisals:** An employee's performance appraisal is very much dependent on the perceptual process. An employee's future is closely tied to his or her appraisal - promotions, increments and continuation of employment are among the common outcomes. The performance appraisal represents an assessment of an employee's work. 32 While this may be objective most jobs are evaluated in subjective terms. Subjective measures are judgmental. The evaluator forms a general impression of an employee's work, to the degree that managers use subjective measures in appraising employee's the evaluator perceives to be `good or bad' employee characteristics/behaviours will significantly influence the appraisal outcome.

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

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

##### Implications of Perception on Performance and Satisfaction

**Productivity:** What individuals perceive from their work situation will influence their productivity. More than the situation itself than whether a job is actually interesting or challenging is not relevant. How a manager successfully plans and organises the work of his subordinates and actually helps them in structuring their work is far less important than how his subordinates perceive his efforts.

Therefore, to be able to influence productivity, it is necessary to assess how workers perceive their jobs.

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

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

Understanding the process of perception is important because (1) It is unlikely that any person's definition of reality will be identical to an objective assessment of reality. (2) It is unlikely that

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two different person s definition of reality will be exactly the same. (3) Individual perceptions

directly influences the behaviour exhibited in a given situation.

MOTIVATION

### INTRODUCTION

Motivation originally comes from the Latin root word ‘movere’ which means to move.

It is derived from the word motive. Motive may be defined as an inner state of our mind that activates and directs our behaviour. Motivation may be defined as the process that motivates a person and induces him to continue the course of action for the achievement of goal. According to **Steer & Porter**, “Motivation is the force that energizes behaviour, gives direction to behaviour and underlies the tendency to persist.”

**Nature of Motivation** Motivation is internal to man.

A single motive can cause different behaviour. Different motives may result in single behaviour. Motives come and go.

Motives interact with the environment. Motivation is an ongoing process.

Motivation is a complicated process. **Importance of Motivation**

To keep employees happy. To instill human treatment. To increase work efficiency

To improve communication in between managers and workers To combine ability with willingness

To reduce the rate of labour turnover To develop the leadership quality

##### THEOREIS OF MOTIVATION

**Maslow’s Hierarchy of Needs**

Abraham Maslow formulated one of the most popular theories of human motivation.

Maslow’s theory is based on the following propositions.

□□The needs are arranged in a hierarchy of importance, ranging from the lowest need to highest need level

□□All needs are never fully satisfied

□□Once a need is fairly well satisfied, it no longer motivates behavior

□□The needs are interdependent and overlapping

Maslow’s theory of motivation explains five levels of needs.

##### Physiological Needs

The need for sunlight, sex, food, water and others, which are basic to human survival, are called physiological needs. At work level, this need can be met through by providing good working conditions, attractive wage or salary, subsidized housing, free catering etc.

##### Safety Needs

The safety needs include the need for freedom from threat caused by the environment, animals and people. It also includes the need for shelter, security and peace. At work level, this need can be met by providing private health insurance cover, attractive pension provisions, safe working conditions etc.

##### Love and Belonging Needs

These needs cover the need of relationships, affection, giving and receiving love and sense of belonging. The manager can provide the following facilities to take care of these needs: company sports and social clubs, office parties, barbeques, outings, permission for informal activities, and encouraging open communication

##### Esteem Needs

It is also known as ego needs, Esteem needs are of two types-internal esteem factors which include self-respect, autonomy, achievement etc. and external esteem factors which include status, recognition, attention etc.

##### Self-actualization Needs

These are the need for full development of one’s potential. Challenging job assignments, discretion over work activities, promotion opportunities and encouraging creativity can fulfill these needs. In terms of motivation, Maslow argued that each level in the hierarchy must be substantially satisfied before the next level is activated, and that once a need is fully satisfied, it may not motivate people. The next level in the hierarchy will be dominant only after the fulfillment satisfaction level. This theory has a lot of implication for managers. As a manager if you want to motivate an employee, first try to understand what level that person is on in the hierarchy and focus on satisfying those needs at or just above the level.

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##### Implications of Maslow’s Hierarchy of Needs Theory

This model helps the managers to understand and deal with issues of employee motivation at the workplace. This model can be applied to motivate people at all levels in the organization. Managers who understand the need patterns of their staff can help the employees to engage in the kinds of work activities and provide the types of work environment that will satisfy their needs at work. For instance, the employees love and belonging needs can be fully satisfied by organizing yearly dinner and dance program, office week end parties, creating recreation clubs or social clubs etc. Fortunately, the workplace has the potential to offer need gratification for several different types of needs, and mangers can motivate employees by giving appropriate

organizational support which will gratify individual’s needs. Thus, despite its drawbacks, Maslow’s theory offers managers a good technique on understanding the motives or needs of individuals and how to motivate organizational members.

##### Herzberg Two-Factor Theory of Motivation

Herzberg’s two-factor theory of motivation suggests that there are two sets of factors which either led to job satisfaction or dissatisfaction. They are Motivating factors and Hygiene factors. Herzberg collected data from 200 accountants and engineers asking a simple question such as “Can you describe, in detail, when you feel exceptionally good about your job” Similarly, Can you describe, in detail, when you feel exceptionally bad about your job? Good feelings about the job were reflected in comments concerning the content and experiences of the job (e.g, doing good work or a feeling of accomplishment and challenge), bad feelings about the job were associated with context factors, that is, those surrounding but not direct involving in the work itself (e.g., salary and working condition) This study revealed two distinct types of motivational factors: satisfiers and dis-satisfiers.

Herzberg resulted in two specific conclusions:

1. There is a set of extrinsic job conditions that, when not present, result in dissatisfaction among employees. If these conditions are present, this does not necessarily motivate employees. These conditions are the dis-satisfiers or hygiene factors because they are needed to maintain at least a level of no dissatisfaction.

These factors are related to the context of the job and are called dis-satisfiers. These include:

1. job security
2. salary
3. working condition
4. status
5. company policies
6. supervision
7. Interpersonal supervision
8. Fringe benefits
9. A set of intrinsic job conditions exist that help to build levels of motivation, which can result in good job performance. If these conditions are not present, they do not result in dissatisfaction. These set of aspects are related to the content of the job and are called satisfiers. These include:
10. Achievement
11. Recognition
12. Work itself
13. Responsibility
14. Advancement
15. Personal growth and development

##### Motivating Factors

The presence of motivating factors always ensures job satisfaction and happiness among the employees. They are: achievement, recognition, responsibility, advancement, growth and the work itself. These motivating factors are relating to the work content factors.

##### Hygiene Factors

The other set, which leads to dissatisfaction, is the hygiene factors such as salary, company policy, supervision, status, security and working conditions. These hygiene factors are relating to the work contextual factors. Herzberg argued that improvement in the hygiene factors would only minimize dissatisfaction but not increase satisfaction and motivation.

##### Implications for Managers:

In order to motivate employees, the managers must ensure to provide the hygiene factors and then follow the motivating factors. Hertzberg’s motivation-hygiene theory proposes that intrinsic factors are related to job satisfaction and motivation, whereas extrinsic factors are associated with job dissatisfaction.

According to Herzberg, the factors that led to job satisfaction were separate and distinct from those that led to job dissatisfaction. Therefore, manages who sought to eliminate factors that created job dissatisfaction could bring about workplace harmony but not necessarily motivation. Because they do not motivate employees, the extrinsic factors that create job dissatisfaction were called hygiene factors. When these factors are adequate, people will not be dissatisfied; but at the same time they may not be fully satisfied. They will be in neutral state. If we want to motivate people on their jobs, it is suggested to give much importance on those job content factors such as opportunities for personal growth, recognition, responsibility, and achievement. These are the characteristics that people find intrinsically rewarding.

Herzberg model sensitizes that merely treating the employees well through the good company policies is not sufficient to them motivated. Managers should utilize the skills, abilities, and talents of the people at work through effective job designing. In other words, the work given to employees should be challenging and exciting and offer them a sense of achievement, recognition, and growth. Unless these characteristics are present in the job, employees will not be motivated.

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

##### ERG Theory:

Alderfer proposed a modified version of Maslow’s need hierarchy and labeled as ERG theory. Alderfer’s ERG refers to three groups of core needs – Existence, Relatedness and Growth (ERG).

##### Existence Needs:

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

##### Relatedness Needs:

These needs include all those that involve interpersonal relationships with others in the workplace. This types of need in individuals depends on the process of sharing and mutuality of feelings between others to attain satisfaction. This category is similar to Maslow’s safety, social and certain ego-esteem needs.

##### Growth Needs:

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

##### ERG theory is based upon three major propositions:

1. The less each level of need has been satisfied, the more it will be desired (need satisfaction). For example, the less existence needs (pay) have been satisfied on the job, the more they will be desired.
2. The more lower level needs have been satisfied, the greater the desire for higher level needs (i.e., desire strength) For example, the more existence needs have been satisfied for the individual worker (pay), the greater the desire for relatedness needs (satisfying interpersonal relationships)
3. The less the higher level need have been satisfied, the more the lower level needs will be desired (i.e., need frustration) for example, the less growth needs have been satisfied (challenging work), the more relatedness needs will be desired (satisfying interpersonal relationships).

**Difference between Alderfer’s ERG and Maslow’s Need Hierarchy:** ERG theory differs from Maslow’s need hierarchy in two aspects.

1. Alderfer highlighted that once an individual’s higher level need is not fully satisfied or encounters difficulty in fulfilling these needs resulting in frustrations and disappointment, the

person will exhibit a strong desire to regress to a lower level needs where he/she finds more comfort and satisfaction.

1. Alderfer further stated that an individual may have an intention to fulfill more than one need at the same time. In other words, individuals may be working towards fulfilling both their relatedness needs and growth needs or their existence and related needs simultaneously.

##### Implications of ERG Theory:

Alderfer has proposed two sets of views on individual’s aspirations and fulfillment. One is satisfaction-progression and other frustration-regression. Satisfaction-progression is similar to Maslow’s model in which once an individual’s basic needs are satisfied, he/she will progress to the next level to satisfy the succeeding higher level to have them satisfied. Alderfer proposed yet another view of individual’s aspirations and fulfillment.

If people eventually become frustrated in trying to satisfy their needs at one level, their next lower level needs will re-emerge and they will regress to the lower level to satisfy more basic needs. This is called as frustration-regression. For manages, ERG theory provides a more workable approach to motivation in organization. Because of the frustration-regression approach component, it provides the manager with the opportunity of directing employee behavior in a constructive manner even though higher order needs are temporarily frustrated.

In summary, ERG theory argues that satisfied lower-order needs lead to the desire to satisfy higher-order needs; but multiple needs can be operating as motivators at the same time and frustration in attempting to satisfy a higher-level need can result in regression to a lower- level need **.**

to a lower-level need.

# GROUPS

### INTRODUCTION

Groups have been a central part of our everybody lives. At any given time, we are members in many different groups such as family, student association, workgroups, different clubs.

A group is a collection of two or more individuals, interacting and interdependent, who have come together to achieve a particular common objective.

According **to D.H.Smith,** “A group is the largest set of two or more individuals who are jointly characterized by a network of relevant communication, a shared sense of collective identity and one or more shared disposition with associated normative strength.

The above definition stresses the following points. Interaction

Size

Shared goal interest Collective Identity

### TYPES OF GROUPS

Various methods are used to classify the types of groups that exist in our organizations.

In organizations, the predominant operating groups are the functional groups, task or project groups and interest groups. In addition, groups are also classified as formal and informal groups.

##### Formal groups:

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

##### Task or Project Groups:

When a number of employees are formally brought together for the purpose of accomplishing a specific task – for a short-term or long term period – such a collection of individuals is called a task or project group. For example, the plant manager of a chemical processing plant may be interested in identifying potential safety problems in the plant. To provide a coordinated effort, the manager creates a four-person task force consisting of the production superintendent, maintenance superintendent, director of engineering and the safety engineer. The group members will deliberate these issues bring out suitable remediable measure for those safety problems within a deadline period.

If any problems are found, the plant manager may create other task forces to work toward the elimination of the potential problems. These activities create a situation that encourages the members of the task force to communicate, interact and to coordinate activities, if the purpose of the group is to be accomplished.

##### Informal groups:

Informal groups are groups that emerge or randomly get formed due to the formal group members’ interaction with each other, and thereby develop common interest. For example, members who are showing interest in cricket will join together and share and enjoy taking about the cricket games. Informal groups provide a very important service by satisfying their members’ social needs. Because of interactions that result from the close proximity of task interactions, group members play cricket together, spending their tea breaks together etc.Friends groups, Interest groups come under informal groups.

##### Interest and Friendship Groups:

The group members formed relationships based on some common characteristics such as age, political belief, or interests. Generally, it can be considered as formal or informal group. Employees who joined together to have their fringe benefits continued to have its

implementation, to support a peer who has been fired, or to seek more festival holidays etc. they tend to unite together to further their common interest. Groups often develop because the individual members have one or more common characteristics. This is called friendship groups. For example, recreation clubs, social groups etc.

### REASONS FOR JOINING GROUPS:

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

##### Security:

By joining a group, members can reduce the insecurity of being alone. The membership will make them feel stronger, gaining resistant to threats, having fewer self-doubts etc.New employees are particularly vulnerable to a sense of isolation and turn to the group for guidance and support.

##### Status:

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

##### Self-Esteem:

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

##### Affiliation:

Groups can fulfill social needs. People enjoy the regular interaction that comes with group membership. For many people, these on-the-job interactions at work are the primary source for fulfilling their needs for affiliation.

##### Power:

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

##### Goal Achievement:

There are times when it takes more than one person to accomplish a particular task- there

is a need to pool talents, knowledge in order to complete a job. In such instances, management will rely on the use of a formal group.

### STAGES OF GROUP DEVELOPMENT:

1. **Forming:** At this stage, group members try to comprehend where they stand in the group and how they are being perceived by others in the group. The members are very cautious in their interactions with each other and the relationships among the group members are very superficial. Members’ seldom express their feelings in the group and the individual members who are trying to understand who they are in the group have concerns about how they will fit in the group as permanent group members. This is characterized by much uncertainty about group’s purpose, structure and leadership. Members are ‘testing the waters’ to determine what types of behavior are acceptable. This stage is complete when members have begun to think of themselves as part of a group.
2. **Storming:** At this stage, disagreement tends to get expressed among the group members, and feelings of anxiety and resentment are also expressed. Some power struggle may ensure at this stage to determine who should assume the informal leadership role in the group. This storming stage is also known as the sub-grouping and confrontation. This group is characterized by intra- group conflict. Members accept the existence of the group, but there is resistance to the control the group imposes on individuality. There is sometimes conflict over who will control the group. When this stage is complete, there will be a relatively clear hierarchy of leadership within the group.
3. **Norming:** This stage is characterized by close relationships and cohesiveness. The group sets norms, tries to attain some degree of cohesiveness, understands the goals of the group, starts making good decision, expresses feelings openly and makes attempts to resolve problems and attain group effectiveness. At this stage, members’ roles get defined, and task and maintenance roles are assumed by group members. Group members’ also begin to express satisfaction and confidence about being members of the group.
4. **Performing:** This stage is characterized by collaboration and integration. The group members evaluate their performance so that the members develop and grow. The group relationships and structures are set and accepted. Group energy has moved from getting to know and understand each other, to performing the task at hand. Feelings are expressed at this stage without fear, leadership roles shared among the members, and the group members’ activities are highly co-coordinated. The task and maintenance roles are played very effectively. The task performance levels are high and member satisfaction, pride and commitment to the group also high. Both performance and members’ satisfaction are sustained indefinitely;
5. **Adjourning:** This stage is characterized by concern with wrapping up activities rather than task performance. The group prepares for its disbandment. High task performance is no longer the group’s top priority. Instead, attention is directed towards finalizing activities. As the group approaches the terminal phase, members break off their bonds of affection and stop interaction with each other. Responses of group members vary in this state. Some feel pride in what the group has accomplished. Others may be negative and critical of the way the organization has

treated the group and others may be sad over the loss of friendship gained during the life of the work groups. These five stages of group development are only a suggestive and not prescriptive. Sometimes, groups do not always proceed clearly from one stage to the next. Sometimes, several stages go on simultaneously as when groups are storming and performing at the same time. Under some conditions, high levels of conflict are conducive to high group performance.

### GROUP COHESION:

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

### Factors increasing Cohesiveness:

The following factors can facilitate to increase the cohesiveness of the work group.

1. **Agreement on Group Goals:** If the group agrees on the purpose and direction of its activities, this will serve to bind the group together and structure interaction patterns towards successful goal accomplishment.
2. **Frequency of Interaction:** When group member have the opportunity to interact frequently with each other, the probability for closeness to develop will increase. Managers can provide opportunities for increased group interaction by calling frequent formal and informal meetings, providing a common meetings place or physically designing the facilities so that group members are within sight of one another.
3. **Personal Attractiveness:** Cohesiveness is enhanced when members are attractive to one another if mutual trust and support already exists. Personal attraction also helps group members to overcome obstacles to goal accomplishment and personal growth and development.
4. **Inter-group Competition:** Competition with other groups, both written and external to the organization is a mechanism that acts to bring groups closer together for attaining a common purpose.
5. **Favorable Evaluation:** If a group has performed in an outstanding manner, some recognition for its performance by management serves to elevate the prestige of the group in the eyes of the group members and other members of the group. Favorable evaluation helps make group members feel proud about being members of the group.
6. **Group Size:** As the size of the group increases, the frequency of interaction each member has with other group members decreases, thus decreasing the probability that cohesiveness will

develop. Past studies have shown the groups of four to six members provide the best opportunity for interaction.

1. **Pleasant experiences with the group:** When group members are attracted to each other or there is a full trust and cooperation, interaction may become a pleasant experience resulting in high level of cohesiveness in the group.
2. **Lack of Domination:** When one or few members dominate the group, cohesiveness cannot adequately develop. Such behavior can create smaller “cliques” within the group or identify individual members as isolates or deviates.
3. **Gender of Members:** It is reported that women tend to have greater cohesion than men. A possible reason is that women are more likely to be feeling types than thinking types.
4. **Previous Success:** If a group has a history of success, it builds an espirit de corps that attracts and unites members. Successful organizations find it easier to attract and hire new employees than unsuccessful ones.
5. **Humor:** Humor has been linked to increased cohesion in several studies. It is reported that the greater the cohesion, the greater the influence of the group over the behavior of members and subsequently group performance. As groups are composed of individuals who are attracted to the goals of the group and to each other, one would expect to find a strong relationship between cohesiveness and group performance. The major difference between highly cohesive and low cohesive groups would be how closely members conformed to the group norms. Further, the group performance would be influenced not only by cohesion, but by the level of group norms.

### GROUP DECISION MAKING:

Decisions made by the members of the group in a collective way is known as group decision making. Groups offer excellent techniques for performing many of the steps in the decision making process. If the group is composed of individuals with diverse backgrounds, the alternatives generated should be more extensive and the analysis will be more critical.

##### Strengths of Group Decision-making:

The following aspects identified the main advantages that groups offer over individuals in the making of decisions.

1. More information and knowledge: By aggregating the resources of several individuals, the group brings more input into the decision process.
2. Increased diversity of views: Group brings heterogeneity to the decision-making process and this opens up the opportunity for more approaches and alternatives to be considered.
3. Increased acceptance of a solution: The group acceptance facilitates higher satisfaction among those employees required to implement it.
4. Increased legitimacy: The group decision making process is consistent with demographic ideals and therefore may be perceived as being more legitimate than decisions made by an individual.

##### Weakness of group decision making:

Some of the main disadvantages are:

1. Time-consuming: It takes time to assemble a group.
2. Pressures to conform: The desire by group members to be accepted and considered as an asset to the group can result in squashing any overt disagreement, thus encouraging conformity among viewpoints.
3. Domination by the few: Few people will try to dominate the group discussion. If such people are happened to be mediocre, the group overall effectiveness will suffer.
4. Ambiguous responsibility: In group decision, the responsibility of any single member is reduced.

Teams require individuals with technical expertise, as well as problem-solving, decision- making and interpersonal skills and high scores on the personality characteristics of extroversion, agreeableness, conscientious and emotional stability. Effective teams are neither too large nor too small- typically they range in size from five to twelve people. They also have adequate resources, effective leadership and a performance evaluation and reward system that reflect team contribution Effective teams have members committed to a common purpose, specific team goals, member who believe in the team’s capabilities and a manageable level of conflict.

### TEAMS

Team is a small no. of people with complementary skill who are committed for common purpose for which they hold themselves mutually accountable.

### Types of Teams

There are four common types of teams:

##### Problem-solving Teams:

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

##### Self-managed Teams:

This refers to a team of employees who perform highly related or inter-dependent jobs and to take on many of the responsibilities of their former supervisors. Typically this includes planning and scheduling of work, assigning tasks to members, collective control over the pace of work, making operating decisions and taking action on problems. Self-managed teams meet their own goals and measure their own performance once top management sets the overall objectives. Fully self-managed work teams even select their own members and have the members evaluate each other’s performance.

##### Cross-functional Teams:

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

##### Virtual Teams:

Teams that use computer technology to tie together physically dispersed member in order to achieve a common goals. They allow people to collaborate on-line using communication links such as wide area networks, video conferencing or e-mail. The three primary factors that differentiate virtual teams from face to face teams are: i) the absence of Para verbal and non- verbal cues, ii) limited social context and iii) the ability to overcome time and space constraints. In virtual teams the members will never have an opportunity to have an access of Para language and non-verbal communication. And also suffer social support and less direct interaction among members.

### Difference between work group and work teams:

Work group: A group that interacts primarily to share information to make decision to help each group member perform within his or her area of responsibility. Work groups have no need or opportunity to engage in collective work that requires joint effort. Work team: A group whose individual effort results in a performance that is greater than the sum of the individual inputs. A team gets a greater degree of individual commitment towards the common shared goal. The efforts of the team members result in more synergy and may achieve a better total performance.

### TEAM BUILDING:

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

1. **Interpersonal Process:** The resolution of conflicts between and among the team members by creating a system of open communication by providing training on listening skills, negotiation skills etc.
2. **Goal Setting:** Focusing on shared understanding of the mission and goals of the team. During this activity the team members clarify general goals and define specific tasks and sub goal to be accomplished within a specific time with set measurement criteria and reporting mechanisms.
3. **Defining Roles:** The members must define the roles without any ambiguity and ensure that instructions are very clear. The responsibilities, norms and expressions and requirements of each role are clarified.
4. **Problem Solving:** The member must identify the problem and must follow steps such as gathering and analyzing data, finding causes, understanding solutions, choosing solutions, planning an action and implementing and evaluating the action.

### INTRODUCTION

**LEADERSHIP**

Leadership is a process whereby an individual influences a group of individuals to achieve a common goal. Leadership is defined as the process of influencing others to get the job done more effectively over a sustained period of time. Leaders play a critical role in influencing the work behavior of others in the system.

According to **Pearce &Robbinson**, “Leadership is the process of influencing others to work towards the attainment of specific goals.”

### Importance of Motivation

* + Task support
  + Psychological Support
  + Development of individuals
  + Building the team spirit
  + Motivation
  + Provides feedback
  + Facilitates change
  + Maintains discipline

### STYLES OF LEADERSHIP

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

Characteristics of Autocratic Leadership

Some of the primary characteristics of autocratic leadership include:

* Little or no input from group members
* Leaders make the decisions

•Group leaders dictate all the work methods and processes

•Group members are rarely trusted with decisions or important tasks

##### Benefits of Autocratic Leadership

Autocratic leadership can be beneficial in some instances, such as when decisions need to be made quickly without consulting with a large group of people. Some projects require strong leadership in order to get things accomplished quickly and efficiently.

In situations that are particularly successful, such as during military conflicts, group members may actually prefer an autocratic style. It allows members of the group to focus on performing specific tasks without worrying about making complex decisions..

##### Downsides of Autocratic Leadership

While autocratic leadership can be beneficial at times, there are also many instances where this leadership style can be problematic. People who abuse an autocratic leadership style are often viewed as bossy, controlling, and dictatorial, which can lead to resentment among group members.

Because autocratic leaders make decisions without consulting the group, people in the group may dislike that they are unable to contribute ideas.

**Democratic leadership**, also known as participative leadership, is a type of leadership style in which members of the group take a more participative role in the decision-making process. Researchers have found that this learning style is usually one of the most effective and lead to higher productivity, better contributions from group members, and increased group morale.

##### Characteristics of Democratic Leadership

Some of the primary characteristics of democratic leadership include:

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

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

•Creativity is encouraged and rewarded. **Benefits of Democratic Leadership**

Because group members are encouraged to share their thoughts, democratic leadership can leader to better ideas and more creative solutions to problems. Group members also feel more involved and committed to projects, making them more likely to care about the end results. Research on leadership styles has also shown that democratic leadership leads to higher productivity among group members.

##### Downsides of Democratic Leadership

While democratic leadership has been described as the most effective leadership style, it does have some potential downsides. In situations where roles are unclear or time is of the essence, democratic leadership can lead to communication failures and uncompleted projects. In some cases, group members may not have the necessary knowledge or expertise to make quality contributions to the decision-making process.

Democratic leadership works best in situations where group members are skilled and eager to share their knowledge. It is also important to have plenty of time to allow people to contribute, develop a plan and then vote on the best course of action.

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

##### Laissez-faire leadership is characterized by:

•Very little guidance from leaders

•Complete freedom for followers to make decisions

* Leaders provide the tools and resources needed

•Group members are expected to solve problems on their own

Laissez-faire leadership can be effective in situations where group members are highly skilled, motivated and capable of working on their own. While the conventional term for this style is 'laissez-faire' and implies a completely hands-off approach, many leaders still remain open and available to group members for consultation and feedback.

##### Downsides of Laissez-Faire Leadership

Laissez-faire leadership is not ideal in situations where group members lack the knowledge or experience they need to complete tasks and make decisions. Some people are not good at setting their own deadlines, managing their own projects and solving problems on their own. In such situations, projects can go off-track and deadlines can be missed when team mem

### THEORIES OF LEADERSHIP

There are three major approaches to leadership: a) trait theories, b) behavioral theories, c) situational theories. Trait theories highlight that there exists a finite set of individual traits

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

##### TRAIT THEORY:

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

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

The list of important leadership traits is endless and grows with each passing year. It has not yet been shown that a finite set of traits can distinguish successful from unsuccessful leaders. For example, successful research administrators are usually inquisitive, independent, perspective, and experts within their field. Successful sales manages are usually high-need achievers,

gregarious, enthusiastic and project a professional stature, What may be important traits for one occupation may not be important for other roles in the same organization. Uniformity of traits across all levels is thus questioned. Trait identifies who the leader is, not the behavioral patterns he or she will exhibit in attempting to influence subordinate actions.

##### BEHAVIOURAL THEORY:

The foundation for the style of leadership approach was the belief that effective leaders utilized a particular style to lead individuals and groups to achieving certain goals, resulting in high productivity and morale. Unlike trait theories, the behavioral approach focused on leader effectiveness, not the emergence of an individual as a leader. There are two prominent styles of leadership such as task orientation, and employee orientation.

Task orientation is the emphasis the leader place on getting the job done by such actions as assigning and organizing the work, making decision, and evaluating performance. Employee orientation is the openness and friendless exhibited by the leader and his concern for the needs of subordinates. Two major research studies directed toward investigating the behavioral approach to leaderships is i) Ohio State University Studies and ii) University of Michigan Studies.

**Ohio State Studies:** Initiating Structures and Consideration: They identified two independent leadership dimensions.

* Initiating Structure: This concerned the degree to which the leader organized and defined the task, assigned the work to be done, established communication networks and evaluated work- group performance.
* Consideration, which was defined as behavior that involves trust, mutual respect, friendship; support and concern for the welfare of the employee. Consideration refers to an emphasis on an employee orientation leadership style. Their findings indicated that a mixture of initiating- structure and consideration leader behavior, which are achieved the highest effectiveness, depends largely on situational factors.

**Michigan State Studies:** Two distinct styles of leadership were developed from their studies:

* Job-centered leaderships style, which focused on the use of close supervision, legitimate and coercive power, meeting schedules and evaluating work performance.
* Employee-centered style, which is people oriented and emphasis delegation of responsibility and a concern for employee welfare, needs, advancement and personal growth. Their findings reported that employee centered and job centered styles result in productivity increase. However, job centered behavior created tension and pressure and resulted in lower satisfaction and increased turnover and absenteeism. Employee centered style is the best leadership style.

-Leadership’s style is too complex to be viewed as uni-dimensional, but more than two dimensions may complicate the interpretation of leadership behavior. The measurement of leadership style for each of the approaches was accomplished through the use of questionnaire. This method of measurement is both limited and controversial. Further, in search of the most effective leadership’s style, the research findings suggested that a universally accepted best style was inappropriate to the complexities of modern organizations.

**Managerial Grid:** The five basic approaches to management identified by Black and Mouton are based on the two dimensions of concern of people and concern for production that are

associated with leaders. A managerial grid is formed based on these two dimensions which are rated on 9 point scale. If manager is securing the lowest score on these two dimensions I,I is identified as impoverished style of managers who are low on both their concern of people and production, 1,9 or country club style is designated to those managers who are having high concern for people but low concern for production. The 5, 5 or the middle-of-the road style concerns the moderate levels of concern for both people and production. The 9,1 or task management style is one where there is a high concern for production but very little concern for people and finally, 9,9 or team management style is one where the manager has high concern for both people and production. According to Black and Mouton the one best style for all mangers is the 9,9 or team management style.

**Likert’s System Four Model:** Rensis Likert suggests that managers operate under four different systems.

**System I – Exploitative Authoritative:** The manager believes in very authoritarian manner and actually exploits the subordinates

**System II – Benevolent Authoritative:** The manager takes a paternalistic approach while still being autocratic. Behaving as benevolent autocratic, the leader maintains strict control over the subordinates albeit in a paternalistic manner.

**System III – Consultative:** The manager consults the subordinates and still maintains the right to make the final decision.

**System IV – Participative Groups:** The manager uses a democratic style and makes decision by consensus and majority vote.

Likert feels that the best way for all organizations to manage employees is to move towards System IV.

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

Tannenbaum and Schmidt reported that the use of authority by the manager (boss centered leaderships style) or the area of freedom given to subordinates (subordinate centered leadership) is a function of the following factors such as i) forces in the manager – value system, confidence in subordinates, leadership predispositions and feelings of security and insecurity), ii) forces in the subordinates (their needs for independence or dependence, readiness to assume responsibility, tolerance for ambiguity, abilities, knowledge and experience and inclination to participate in decision making) and iii) forces in the situation (type of organization, group effectiveness, time pressures and the nature of the problem itself)

**Fiedler’s Contingency Model of Leadership:** Fiedler developed a model to predict work group effectiveness by taking into consideration the best fit between the leadership style and the degree of favorableness of the situation. The following three factors are considered to check whether the situation will be favorable or unfavorable. These factors are i) Leader- Member relations, ii) Task structure of the group, iii) Perceived position power of the manager.

**Leadership Style Assessment – Leased Preferred Coworkers Scale:** Fiedler developed a scale to rate the type of relationship a supervisor holds towards the least preferred coworkers on a twenty-item questionnaire. The supervisor is asked to describe the person with whom he has

worked least well in accomplishing some task. The model postulates that a low LPC score (unfavorable avoidable evaluation) indicates the degree to which a leader is ready to reject those with whom he cannot work. Therefore, the lower the LPC score, the greater the tendency for the leader to be task oriented. On the other hand, a high LPC (favorable evaluation) indicates a willingness to perceive even the worst coworker as having some positive attributes. Therefore, the higher the LPC score, the greatest the tendency for the leader to be employee oriented.

**Favorable Situation:** The situation is considered as highly favorable if it possess a high level of positive interpersonal relations between leaders and members, a well-defined task structures and a leaders perceive that they are bestowed with strong perceived positional power. In such

type of situation the leader will have a great deal of control over situations and will simply have to make sure that he gives the necessary instructions to get the task done. There is no need for him to waste time talking to each employee in order to be perceived as friendly. A task-oriented style will be effective in such situation.

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

**Moderately Favorable Situation:** Here the leader might find herself in a mixed situation. For instance, a manager might have good relationship with her workers, but the task structure and position power of the leader may be low. For example, a bank officer may have a good relationship staff member, but the task structure or the power to control the staff members (either to reward or punish members) is not strong enough. In such situations, the manager will be very successful and get the desirable results if he follows more of relationships oriented style than task oriented task style. The major findings of fielder are that the task-oriented leaders perform better than relationship oriented leaders in both extreme situations that are very favorable and thosethat are unfavorable. Relationship oriented leaders tend to perform better than task oriented leaders in situations that are intermediate in favorableness. These findings suggest that each of the leadership style can be effective in certain situation. Fiedler also suggests that the organization can change the effectiveness of the group’s performance by changing the favorableness of the situations or by changing the leader’s preferred style through education and training.

Fiedler’s contingency model has proven to be major addition to the study of leadership in organizations for a number of reasons. First, the contingency model was one of the first approaches to leadership that included situational factors within its theoretical framework. The model will probably continue to be an important source of new ideas, propositions and hypotheses about situational leadership. Second, it provides the subtle but important implication that one should not speak of leadership as being either good or poor. Rather, a more realistic viewpoint would be that a manager’s style of leading may be effective in one situation but not in another. Finally, leadership effectiveness is a function of the leader’s style and the interaction of situational factors. The organization may improve the effectiveness of a particular work

environment either modifying the situational factors or attempting to change the manager’s leadership style.

**Path-Goal Theory of Leader Effectiveness**: A second situational theory of leadership has been proposed by House and Evan. The principle function of the leader is facilitating to increase valence perception of their subordinates and clarify and increase expectancy probabilities of them. This will in turn make them to put greater amount of effort and derive higher level of satisfaction and performance in their work. The theory is composed of two basic propositions such as i) role of the leader and ii) dynamics of the situation. The two main aspects of this model are as follows:

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

* **Directive Leadership Behavior:** This deals with planning, organizing, controlling and coordinating of subordinates activities by the leader. It is similar to the traditional dimension of initiating structure in that the leader’s emphasis is on letting the subordinates know what is expected of them.
* **Supportive Leadership Behavior:** This concerns giving support consideration to the needs of the subordinates, displaying concern for their well-being and welfare and creating a friendly and pleasant environment.
* **Participative Leadership Behavior:** This deals with sharing of information and an emphasis on consultation with subordinates and use of their ideas and suggestions in reaching group- related decision.
* **Achievement-Oriented Leadership Behavior:** This deals with setting challenging goals, expecting subordinates to perform at the highest level, continually seeking improvement in performance. The leader wants good performance, but at the same time displays confidence in the ability of his subordinates to do a good job.

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

**Characteristics of Subordinates:** Subordinates characteristics are seen to partially determine this perception. The following are the characteristics:

* **Ability:** This refers to the subordinates perception of his or own ability
* **Locus of Control:** This deals with the degree to which an employee believes that he or she has control of what happens to him. People who believe that they controlled their environment and who believe what happens to them occurs because of their behavior are called internal. People

who believe what happens to them is not under their control and occurs because of luck or fate are externals.

* **Need and Motives:** A subordinate’s dominant needs may affect the impact of leader behavior. For example, individuals with high safety and security needs may accept an instrumental leader style, but employees with high affiliation and esteem needs may react more positively to a supportive leader.

##### Characteristics of Work Environment:

There are three broad aspects work environment such as i) task structures, ii) primary work group and iii) formal authority system.

Path-Goal theory states that leaders can exercise four different kinds of styles such as directive leadership, supportive leadership, participative leadership and achievement oriented leadership. The Path-Goal theory postulates that any of the four styles can be used effectively by the leader, depending upon situational factors such as subordinate characteristics (ability internal or external locus of control, needs and motives), and attributes in the work setting (task characteristics, authority system and the nature of the primary work groups). If there is a good fit between the leadership style and the situational factors in the work setting, then subordinates will experience job satisfaction, accept and value the leader as a dispense or valued rewards and will engage in motivated behavior because they will know that their effort will lead to performance and that performance will lead to valued rewards. The rationale behind the theory is that leader can help the subordinates to achieve their goals by providing what is missing in the situation. Employees are helped by the leader to see the path by which their efforts will lead to performance and performance to desired rewards. The leader can take care of the missing links in the situation and facilitate to fulfill the needs of the subordinates. This suggests that leaders should involve their subordinates as much as possible in goal setting. This will enhance a person’s sense of control over the organization’s goal and have significant benefits in terms of job satisfaction, self-esteem and self-efficacy as well as productivity improvement for the organization. Goals need to be difficult enough to be challenging and yet realistic and achievable. Goal setting needs to be consistent across everyone and over time.

**Hersey and Blanchard’s Life Cycle Model of Situation Leadership:** Heresy and Blanchard developed a situational model focusing on the followers characteristics. Successful leadership is achieved by selecting the right leadership style, which is contingent on the level of the followers’ developmental level. It is the followers who accept or reject the leader, so that they are important factors in a leader’s success. Blanchard defined developmental level as the skill and willingness of people to take responsibility for directing their own behavior. It consists of two components such as job maturity (Job competence – skills and abilities) and psychological maturity (motivation and willingness to take responsibility).

##### Situational Leadership Styles:

Situational leadership uses the same two leadership dimensions – task and relationship behavior. However, the situational leadership approach goes a step further by considering each as either high or low and then combining them into for specific leadership styles:

Directing, Coaching, Supporting and Delegating.

1. **Directing: (high directive – low supportive):** The leader defines roles and tells people what tasks to do and how, when and where to do them. It emphasis directive behavior.
2. **Coaching: (high directive – high supportive):** The leader provides both directive behavior and supportive behavior)
3. **Supporting (low directive-high supportive):** The leader and follower share in decision- making, with the main role of the leader being facilitating and communicating.
4. **Delegating: (low directive-low supportive):** The leader provides little direction or support.

##### Followers Characteristics:

Besides identifying leadership behavior, the Situational Style Leadership model also identifies follower readiness or developmental level. The follower’s readiness for a task is shown on a continuum ranging from D1 to D4. Two characteristics are used to identify the level of readiness to complete the task such as i) ability and ii) willingness. The situational leadership model finds that different followers have different combinations of these two characteristics and different levels of development or readiness and capacity to complete the tasks. There are four developmental stages of followers.

1. D1: Unwilling, insecure, and with the ability to perform the task.
2. D2: Willing, confident, and without the ability to perform the task.
3. D3: Unwilling, insecure and with the ability to perform the task
4. D4: Willing, confident and with the ability to perform the task.

### INSPIRATIONAL APPROACHES TO LEADERSHIP

These contemporary leadership theories view leaders as individuals who inspire followers through their words, ideas, and behaviors.

* 1. **Charismatic Leadership.** *Charisma*, as defined by Max Weber, is “a certain quality of an individual personality, by virtue of which he or she is set apart from ordinary people and treated as endowed with supernatural, superhuman, or at least specifically exceptional powers or qualities. These are not assessable to the ordinary person, but are regarded as of divine origin or as exemplary, and on the basis of them the individual concerned is treated as a leader.”
  2. **Transformational Leadership.** While transformational leadership does divide leadership into two categories, these are not opposites but complements. Transformational leadership builds on top of transactional leadership and produces levels of follower effort and performance that go beyond what would occur with a transactional approach alone. But the reverse is not true.

**Leadership Types***.* This theory of leadership divides leaders into two types, based on their methods and outcomes:

1. **Transactional Leaders:** those who guide or motivate their followers in the direction of establish goals by clarifying role and task requirements. These leaders were described in the other (non-inspirational) sections of this chapter.
2. **Transformational Leaders:** those who inspire followers to transcend their own self- interests for the good of the organization and are capable of having a profound or extraordinary effect on their followers.

##### What Makes Leadership Effective:

The following points make the leadership effective. Mental and physical health

Knowledge and Intelligent Clear cut and worthy goal Conviction

Sense of responsibility Motivation

Initiative and Drive

Besides there are some other factors which make the leadership effective.Thosevare- Leader’s own personality, past experience & expectation

Expectation & behaviour of his superior Expectation & behaviour of his subordinate Task Requirement

Organisational culture & climate

### INTRODUCTION

**CONFLICT**

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

According to **Kolb** and **Bartinek**, “conflict can be a disagreement, the presence of tension, or some other difficulty within or between two or more parties.

### TYPES OF CONFLICT

**Intrapersonal Conflict:** When conflict occurs within an individual, it is called intrapersonal conflict. It occurs in three ways.

1. Approach-Approach Conflict-Here an individual must choose between two alternatives which have expected positive outcome.
2. Avoidance-Avoidance Conflict- Here an individual must choose between two alternatives which have expected negative outcome.
3. Approach-Avoidance Conflict- Here an individual must decide whether to do something that is expected to have both positive and negative outcome.

**Interpersonal Conflict:** When conflict occurs in between individual to individual ,it is called interpersonal conflict.

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

**Intergroup Conflict**: When conflict occurs amongst different groups, it is called intergroup conflict. It occurs in three ways.

1. Vertical Conflict-It refers to conflicts that occur between individuals at different levels. Conflict between the superior and subordinate is an example of vertical conflict.
2. Horizontal conflict-It refers to tensions between employees or groups at the same hierarchical level. Horizontal conflict occurs because of interdependence among the parties concerned in the work situation.
3. Line & Staff Conflict- It refers to the conflicts that arise between those who assist or act in an advisory capacity (staff) and those who have direct authority to create the products, process, and services of the organizing (line).

### CONFLICT PROCESS

The conflict process can be categorized into five stages. They are as follows: **Stage I: Potential opposition or incompatibility:**

This covers the present condition that creates opportunity for conflicts to arise. This may be one

of the conditions responsible for the occurrence of conflict. The major sources of conflict can be further categorized as communication, structure and personal variables. Communication: It is reported that word connotations, jargon, insufficient exchange of information and noise in the communication channel are all barriers to communication and potential antecedent conditions to conflict.

##### Stage II: Cognition and personalization:

Perception or sense making plays a major role in the resolving conflict. Conflict may either be perceived or felt in nature. Perceived conflict is defined as awareness by one or more parties of the existence of conditions that create opportunities for conflict to arise. Felt conflict is defined as emotional involvement in a conflict creating anxiety, tenseness, frustrations or hostility. Negative emotions have been found to produce over simplification of issues, reductions in trust, and negative interpretations of the other party’s behavior.

##### Stage III: Intentions:

Using two dimensions – cooperativeness (the degree to which one party attempts to satisfy the other party’s concerns) and assertiveness (the degree to which one party attempts to satisfy his or her own concerns) – five conflict handling intentions can be identified. There are as follows: i) competing (assertive and uncooperative), ii) collaborating (assertive and cooperative), iii) avoiding (unassertive and uncooperative), iv) accommodating (unassertive and cooperative) and

1. compromising (mid-range on both assertiveness and cooperativeness). **Stage IV: Behaviour:**

All conflicts manifest in behavior somewhere along with continuum ranging from no conflict or minor conflict such as minor disagreements or misunderstanding, overt questioning or challenging of others, to annihilatory conflict such as threats and ultimatum, aggressive physical attacks or overt efforts to destroy the other party.

##### Stage V: Outcomes:

The outcomes of conflict may be functional or dysfunctional. Conflict is constructive when it improves the quality of decision, stimulates creativity and innovation, encourages interest and

curiosity among group members, provides the medium through which problems can be aired and tensions released and fosters an environment of self-evaluation and change.

### CAUSES OF INTER-GROUP CONFLICT:

There are three basic sources of inter-group conflict: i) goal incompatibility, ii) decision-making requirements and iii) performance expectations.

***Interdependence***: Conflict potential increases when groups are interdependent. The different types of Interdependence are as follows:

1. Pooled interdependence—no direct interaction occurs between groups;

interdependence exists because their pooled performance determines organizational performance (e.g.,

the Cadillac, Buick and Chevrolet divisions at General Motors). Creates relatively low conflict potential.

1. Sequential interdependence—Occurs when one group must complete

its task before another group can complete its task (e.g., two groups on an assembly line). Makes conflict more likely because output (quality and quantity) of one group depends on the task input of

another.

1. Reciprocal interdependence—the output of each group is the input for

other groups and vice versa (e.g., the anesthesiology, nursing, and surgical teams in an operating room).

Creates high conflict potential.

All organizations have pooled interdependence; complex organizations have sequential interdependence; and the more complex organizations have reciprocal interdependence. The more

complex the organization, the greater the conflict potential.

***B. Goals Difference***: Groups with different goals have different expectations that can cause conflict

when the groups interact. Goal differences become more evident when resources are limited and are

allocated across the groups. Conflict pressures increase when groups think resources have not been

allocated equitably. Different goal can produce different perceptions. Different time horizons can produce different times perspectives and affect perceived importance of problems (e.g., a company

president's time perspective of five‐to‐ten years vs. a foreman's perspective of one month to one year).

***C. Perceptual Differences:*** Status incongruency-one group perceiving itself as more prestigious than another can provoke intergroup conflict. Inaccurate perceptions often causes groups to develop

stereotypes about other groups, which can provoke conflict and erode intergroup relations.

When conflict is low rational model describes the organization where goals are consistent across participants, power and control are centralized, decision process are orderly, logical, rational, rules and

norms are norms of efficiency, information is extensive, systematic and accurate.

When conflict is high political model describes the organization where goals are inconsistent and

pluralistic within the organization, power and control are decentralized and shifting coalitions and

interest groups, decision process are disorderly and result of bargaining and interplay among interests,

### Conflict management Techniques:

The various strategies for minimizing and resolving conflicts can be classified into five categories: i) Avoidance, ii) Accommodating, iii) Compromise, iv) Competition and v) Collaboration.

##### Avoidance:

This strategy involves a general disregard for the causes of the conflict and the person might diplomatically sidestep a conflicting issue, postpone addressing it till later, or withdraw physically or psychologically from a threatening situation. Avoiding mode is used when the individual is both unassertive and uncooperative – that is, the person has a very low concern for his own and his opponent’s needs. The individual follows the following three methods

1. Non-attention: The manager totally avoids or ignores the dysfunctional situation. Individuals tend to “look the other way” or disregard hostile action in hopes that the situation will resolve itself in time
2. Physical separation: It involves moving conflicting groups physically apart from each other. The rationale is that if the groups cannot interact, conflict will diminish.
3. Limited interaction: Groups are allowed to interact only on formal situations.

##### Accommodation:

Accommodation is a negotiation style where one party is willing to oblige or adapt to meet the needs of the other party. That party that accommodates loses and the other party wins. Accommodation is useful for negotiation on minor matters. The negotiation parties may not look for creative, new solutions. Accommodation might take the form of selfless generosity, or obeying another’s order rather unwillingly or giving in to another person’s point of view. In all these cases, the individual neglects his or her own concern to satisfy the concerns of their other party. There is an element of self-sacrifice.

##### Competition:

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

##### Compromising:

Compromise is the settlement of differences through concessions of one or both parties. In compromising, the party tries to find some expedient, mutually acceptable solutions with partially satisfies both parties, though neither is fully satisfied. A compromising stance addresses the issue without avoiding it, but does not explore the alternative in a way that would be completely satisfying to both parties as in the case of collaboration. Compromising involves “splitting the difference”, exchanging concessions and seeking quick middle-ground solutions.

##### Collaboration:

Collaboration occurs when people cooperate to produce a solution satisfactory to both. Collaborating involves an attempt to work with the other person to find solutions that would be satisfying to both parties. Here, the underlying concerns of both parties are explored in depth, the disagreements examine in detail and resolutions arrived at by combining the insights of both the parties. A creative solution usually emerges because of the joint efforts of both the parties who are keen on both gaining from the situation without hurting the other.

# TRANSACTIONAL ANALYSIS

### INTRODUCTION

When people interact in assertive or non-assertive ways, there is a social transaction in which one person responds to another. The study of these social transactions between people is called Transactional Analysis (TA). Transactional analysis was developed by Eric Berne for psychotherapy in the 1950s. The objective of TA is to provide better understanding of how people relate to one another, so that they may develop improved communication and human relationship.

### KEY IDEAS IN TA

##### Ego States

The personality of a person is the collection of behaviour patterns developed over a period of time that other people begin to recognize as that person. these behaviour patterns are evolved in differing degrees from three ego states - **Parent, Adult and Child.**

**Parent ego** is formed by external events and influences upon us as we grow through early childhood to adulthood. Parent ego is characterized by protective, nurturing, commanding, and directing.

There are two kinds of Parent ego states : (i**) Nurturing Parent** and (ii) **Critical parent**. The Nurturing parent is that part of a person which is understanding and caring about other people. Behaviour coming from the nurturing parent may set limits on and provide direction for people behaviour. It will not put the people down and make them feel not OK as individual. Critical parent behaviour attacks people's personalities as well as their behaviour.

Critical parent makes people feel that they are not OK. When people are in their critical parent ego state they are very evaluative and judgmental. They are always ready to respond with a 'should' or 'ought' to almost anything people tell them.

The **Adult ego** state evokes behaviour that could be described simply as logical, reasonable, rationale and unemotional. Behaviour from the adult ego state is characterized by problem solving analysis and rationale decision-making. People operating from the adult ego state are taking emotional content of their child ego state, the value-laden content of their parent ego state and checking them out in the reality of the external world. These people are examining alternatives, probabilities and values prior to engaging in behaviour.

The **child ego** state is associated with behaviours that appear when a person is responding emotionally. A person's child contains the 'natural' impulses and attitudes learned from child experiences. There are several forms of the child ego state. However, two kinds of ego states

viz. happy child and destructive child are commonly relevant in their behaviour. People behaving from their happy child are doing things they want to do it but it is not destructive to

others. However, people in their destructive child are also doing things but their behaviour is either destructive to others or to themselves, or to their environment. In understanding the difference between these two types of child ego state, it helps to remember that behaviour by itself is not happy or destructive. Whether a person's behaviour is coming from a happy child or destructive child depends on the transaction feedback from others.

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##### Strokes

Berne observed that people need strokes, the units of interpersonal recognition, to survive and thrive. Understanding how people give and receive positive and negative strokes and changing unhealthy patterns of stroking are powerful aspects of work in transactional analysis. Stroking is the recognition that one person gives to another. Strokes are essential to a person's life. Without them, Berne said, the "spinal cord will shrivel up." It has been shown that a very young child needs actual physical strokes in order to remain alive. Adults can get by on fewer physical strokes as they learn to exchange verbal strokes; positive strokes like praise or expressions of appreciation, or negative strokes like negative judgments or put downs. Therefore, the exchange of strokes is one of the most important things that people do in their daily lives.

##### Games

The essential aspect of games is that they are crooked or covert exchanges of strokes. A game is a recurring series of covert transactions with a beginning, middle and end, and a payoff.

The payoff is a hidden advantage which motivates the players to participate. Transactional Analysis became a nation-wide fad in the 1960's due to the bestselling success of Eric Berne's book, Games People Play. In this book he assigned engaging names (“Now I’ve got you,” “Kick me,” “I only trying to help.”) for different games. For instance when Jane plays "Why Don' You, Yes But" she asks advice from another but rejects every suggestion so that everyone ends up exasperated. It is the type of conversation which occurs over and over again, especially in therapy groups. It is devious and covert: on the social level, it appears to be a conversation in which a person in the Adult ego state is asking a question to one or more people who are also in their Adult ego states. What makes it a game is that none of the suggestions are really accepted. The reason for that is that, at the psychological and much more meaningful level, what is really going on is that Jane may need advice but needs strokes even more. Because these strokes are being given in a roundabout way they are not as satisfying as direct strokes would be. This is why the game ends on a note of depressed frustration.

##### Payoffs

There are a number of payoffs of this game; every game pays off at three different levels: (i) The biological pay-off of a game is strokes. Even though games end badly, all the players get a considerable number of strokes – both positive and negative – out of playing them. (ii) The

social pay-off of a game is time-structuring. People are able to fill time which otherwise might have been dull and depressing with an exciting activity. (iii) The existential pay-off of a game is the way in which the game confirms the existential position of each player.

##### Life position

In the process of growing up, people make basic assumptions about their own self-worth as well as about the worth of significant people in their environment that may or may not be channelized to other people later in life. Harris called them combination of an assumption

about oneself and another person a life position. Life position tend to be more permanent

than ego states. They are learned through out life by way of reinforcements for, and responses to expressed. These assumptions are described in terms of 'okay ness'. Thus individual that they are either OK or not OK and other individuals are assumed to be either OK or not OK.

Four possible relationship resulted from this life position.

1. I am not OK, You are not OK (neither person have value)
2. I am not OK, You are OK (you have value but I do not have)
3. I am OK, You are not OK (I have value but you don't have)
4. I am OK, You are OK (we both have value) *I AM NOT OK, YOU'RE NOT OK:*

People tend to feel bad about themselves and see that the whole world as miserable. People with this life position usually give up. They do not trust other people and have no confidence in themselves.

*I AM NOT OK, YOU'RE OK*

People with this life position often come from their child ego state. They feel that others are more capable and generally have fewer problems than they themselves do. They tend to think that they always got the short end of the stick. This is the most common life position for people who have high expectations for authority. They see their world as "I don't have any control or much power, but those people seem to have all the power and rewards and punishment."

*I AM OK, YOU'RE NOT OK*

This type of people often come their Critical Parent ego state. They tend to be down on other people for at least two reasons. First, they often regard other people as source of criticism. They feel that if they are not exactly perfect or right, people will be excessively critical of them. Second, they want to break away or rebel from some authority figure and become more independent, but they are either not sure how to go about this or they have had pleasant experiences in attempting it in the past.

*I AM OK, YOU'RE OK*

This life position is considered as healthy position. People with these feelings express confidence in themselves as well as trust and confidence in other people in their environment. Their behaviour tends to come from their Nurturing Parent, Adult and Happy Child ego states, while seldom being evoked from their Destructive Child or Critical parent. TA may be used to explain why people behave in specific patterns throughout their life. This analysis enables people to identify patterns of transactions between themselves and others. Ultimately, this can help us to determine which ego state most heavily influencing our behaviour and the behaviour of other people with whom we interact.

### Transaction:

There are two types of transactions. One is complementary, another is non-complementary**.** When the receiver of the message responds the message in the same ego state he or she receives it, is known as **complementary transaction**. Here the ego state of two persons are parallel to each other. When the receiver of the message responds the message with different ego state than the ego state he/she receives message is known as **non-complementary transaction**. Here the ego state of two persons are not parallel rather than crossed happens.

### APPLICATION OF TA:

**Stroking –** Stroking is defined as any act of recognition for another. People seek stoking in

their interaction with others. It applies to all type of recognition, such as physical, verbal and

eye contact between people. Strokes may be either positive, negative, or mixed. Positive strokes, when they are received contribute to a person's sense being OK. Negative stokes hurt physically or emotionally and make us feel OK about ourselves. There also is a

difference between conditional and unconditional strokes. Conditional strokes are offered to employees if they perform correctly or avoid problems. A Regional manager may promise" I will give you a choice posting if you achieve the targets of advances, deposits and recovery and turn around the branch". Unconditional strokes are presented without any connection to behaviour, although they may make a person feel good (for example, "you're a good officer").

**TA and Leadership –** when managers transact primarily from a single ego state, they limit

their choice of leadership styles. For example, the person with a dominant Parent ego state will tend towards a more autocratic style. If the Child state is dominant, the free-rein style may be used extensively. However, a supervisor who feels "I am OK-You're OK" and who has a well- developed Adult state, is more likely to collect data prior to making a choice of style. The style chosen by the adult state generally will allow ample freedom for employees to participate in the decision process.

**TA and conflict resolution –** There are several natural connections between TA and the approaches to resolving conflict. the Parent ego state may lead to the use of a forcing strategy, while the child state may smooth over conflicts or try to avoid them. The "I am OK – You're OK" person is more likely to seek a win-win outcome, applying the Adult ego state.

**Benefits of TA –** Organisations that have used TA approach were found moderately successful training in TA can give employees fresh insights into their own personalities, and it also can help them to understand why others sometimes respond as they do. A major benefit is improved interpersonal communication. Employees in organization can sense when crossed communication occurs and then take steps to restore complementary communication, preferably in the Adult-to-Adult pattern. The result is a general improvement in interpersonal transactions.

### Conclusion

Transactional analysis is the study of social transaction between people. One useful approach is the classification of Parent, Adult and child ego states. An Adult-to-adult complementary transaction is especially desirable at work. Crossed transactions tend to cut off communication and produce conflicts. TA is essentially a learning experience through which

an individual discovers how to sort out the data that goes into his decisions. This approach is useful to improve the interpersonal communication in organization and in social life. I’m OK, You're OK life position shows acceptance of self and others. TA gives employees fresh insights into their own personalities.

MODULE-4

### INTRODUCTION

**ORGANISATIONAL CULTURE**

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

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

**Features of Organisational Culture:**

Shared meaning Values and Norms

Behavioural Consistency Descriptive Organisational Philosophy Clear Guidelines

Sense of Belongingness

**Factors determining org. culture**

**Org. Founder:**

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

**Corporate success & shared Experiences:**

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

**Innovation & risk taking:**

Innovative and risk taking employees develop a strong culture**.**

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

**Competitiveness:**

Organisations whose employees are competitive are actually stronger than non-competitive**. Shared interpretation:**

Organisations whose members have common perception and thinking about organizational values, norms, they can develop a strong culture.

**Functions of Organisational Culture**

* It distinguishes one organization from another organization. That means it creates brand name for the organization.
* It develops a sense of identity amongst its members.
* It promotes commitment amongst employees to achieve oganisational goal.
* It develops appropriate standard for employees & holds them together to achieve those standard.
* It provides a control mechanism for shaping the attitude & behaviour of employees.

**Transmission of organizational Culture/How is culture learnt:**

* **Stories:**

The stories be these true or false, told to the organizational members can have a profound impact on organizational culture.

* **Symbols**:

Examples of symbols include the size of offices, the elegance of office furnishing etc for certain employees. The value of these symbols is that they communicate important cultural values.

* **Language**:

Organisations use a language in terms of specific slogan, metaphor to convey special meaning to employees. It symbolizes what the company stands for to both employees and society.

* **Rituals:**

Rituals such as annual function, award ceremonies etc reinforce the key values of the organization, which goal is imp, which people is important. The annual function organized by the VSSUT is an example of ritual performed in an educational institution.

# ORGANISATIONAL CHANGE

Change is necessary for survival and growth. Changes are constantly taking place in our environment. Changes occur outside organization that requires internal adaptation. The manager has to ensure that individual and groups in organizations, and structures, process and behaviors of sub-systems must adapt to the changing external and internal environments. In effect, the manager is a change agent who facilities changes to occur in the various subsystems of the organization needed.

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

### FACTORS AFFECTING CHANGE:

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

### External Factors:

The external forces that create the need for change come from various sources. Some of them are as follows:

##### Competitive Market Force:

Competition is changing. The global economy means that competitors are as likely to come from across the ocean as from across town. Heightened competition also means the established organizations need to defend themselves against both traditional competitors that develop new products and services and small, entrepreneurial firms with innovative offers. Successful organizations will be the ones that can change in response to the competitor.

##### Government laws and regulations:

These are frequent impetus for change. Creation of special economic zones and foreign direct investment in India sparked off major changes in the IT Industries, Insurance, and Car

manufacturing industries. More foreign automobile industries are setting up manufacturing plants and generating more employment opportunities in India.

##### Technology:

It creates the need for change. For example, technological developments in sophisticated and extremely expensive diagnostic equipment have created significant economy of scale for hospitals and medical centers. Assembly-line technology is undergoing dramatic change as organizations replace human labor with robots. Even in the greetings card industry, electronic mail and internet have influenced the way people send greetings.

##### Labor Markets:

The fluctuation in labor markets forces managers to change. For instance, the demand for webpage designers and website managers made it necessary for organizations that need those kinds of employees to change their human resources management activities to attract and retain skilled employees in the areas of greatest need.

##### Economic Changes:

Economic changes affect almost all organization. The appreciation of rupee value against the US dollar affects the export prospects of knitwear products from India to America as those products cost more to Americans. But even in strong economy, uncertainties about interest rates, government budgets deficits and current exchange rates create conditions that may force organizations to change.

**Internal Factors:**

Internal forces can also stimulate the need for change. These internal forces tend to originate primarily from the internal operations of the organizations or from the impact of external changes.

##### Structural factors:

A structural force would be the inability to transmit important information from the top of

the organization to the lower level cadre. Because of numerous layers in the hierarchy, information moves slowly from one level to the next. This could be viewed as a process or a behavioral problem involving a failure to communicate effectively.

##### Strategy:

A redefinition or modification of an organization’s strategy often introduces a host of change. The strategic move of Reliance Industries in getting into retail business in urban and rural markets made them to introduce a change in the managerial approach as well as the human relations approach to gain acceptance from the different cross section of the customers.

##### Organizations Workforce:

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

##### Technology:

The introduction of new equipment represents another internal force for change. Employees may have their jobs redesigned, they need to undergo training on how to operate the new equipment or they may be required to establish new interactions patterns with their work group.

##### Employee Attitudes:

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

**RESISTANCE TO CHANGE**

In planning for change, the team leaders must take into consideration the various factors on which the members exhibit their resistance to implement the change process. For example, the company wanted to install a new software program in cash counter computer terminals to facilitate the fast movement. But some employees may not respond favorably and display their refusal to cooperate by increasing absenteeism, sub-standard work, joining of union increased labor turn over etc. Resistance to change can also be a source of functional conflict. For example, resistance to a reorganization plan or a change in a product line can stimulate a healthy debate over the merits of the idea and result in a better decision.

Resistance can be overt, implicit, immediate or deferred. It is the easiest for management to deal with resistance when it is overt and immediate such as employees strike, work slowdown etc. The greater challenge is managing resistance that is implicit or deferred. Such as loss of loyalty to the organization, loss of motivation to work, increased errors or mistakes increased absenteeism etc. .

### Individual Resistance2

Individual sources of resistance to change lie in basic human characteristics such as perceptions, personalities and needs.

□□**Habit:** The team members are habituated or conditioned to do their job or activity in a particular way. When they are asked to do differently, they tend to respond to resist change. When employees are asked to move to new office building across the town, they are likely to change their routine habits like waking up ten minutes earlier, finding new parking place, adjusting to new office layout, developing new lunch time routine etc.

□□**Security:** The team members with a high need for security are likely to resist change because it threatens their feelings of safety. When Indian Railway introduced new online booking for their reservations, employees may have similar fears.

□□**Economic Factors**: If the members feel that the new changes result in lower pay, they may likely to resist change process. Changes in jobs or established work routine can also arouse economic fears if people are concerned that they won’t be able to perform the new tasks or routines to their previous standards, especially when the pay is closely tied to productivity.

□□**Fear of the Unknown**: The cashiers or secretaries might fear the new activities due to lack of knowledge in operating the new software program. They might develop a negative attitude towards working with new programs or behave dysfunctionally if required to use them. Employees in organizations hold the same dislike for uncertainty. For example, if an organization introduced TQM, the production employees will have to learn statistical process control techniques. Therefore, they may develop a negative attitude towards TQM or behavior dysfunctionally if required, to use statistical techniques.

□□**Selective Information Processing**: Once the team members shape their world through their own way, they prefer to do their work based on their perceptions. If the change process demands to follow the new method, the members tend to resist. So individuals are guilty of selectively

processing information in order to keep their perception intact. They hear what they want to hear. They ignore information that challenges the world they have created.

### Organizational Resistance

Some organizations prefer to follow their routine and reluctant to venture new things or follow any new methods of doing. Government agencies want to continue doing what they have been doing for years, whether the need for their service changes or remains the same. Six major sources of organizational resistance have been identified. They are as follows:

□□**Structural Inertia:** Organizations have built in mechanisms to produce stability. For instance, the training and orientation programs reinforce specific role requirements and skills. Formalization provides job descriptions, rules and procedures for employees to follow. Once the routine has been established, organization is very reluctant to adapt to new changes. When an organization is confronted with the change process, the team members tend to resist.

□□**Limited Focus of Change:** The change process is interlinked. One activity cannot be changed without affecting the others. If change is introduced in technology without considering the structural changes, the change in technology is not likely to be accepted. Organizations are made up of number of interdependent subsystems.

□□**Group Inertia:** Some times the group norm or standards could act as a constraint. For example, the union norms may dictate resistance to change process.

□□**Threat to Expertise**: The change process could threaten the expertise of team members of the groups. Once the members feel that they are forced to learn something new, they tend to resist. The introduction of decentralized personal computers, which allow managers to gain access to information directly from a company’s mainframe, is an example of a change that was strongly resisted by many information system departments in the 1980s. Because of decentralized end-user computing was a threat to the specialized skills held by those in the centralized information system departments.

□□**Threat to Established Power Relationship:** The change process can threaten long established power relationships within the organization. Due to this reason, the members can resist the change.

□□**Threat to established resource allocation:** The group, which enjoys sizable resources, may not like to accept the change process that facilitates reduction in their budget.

### OVERCOMING RESISTANCE TO CHANGE

John Kotter and Leonard Schlesinger offered six ways of overcoming resistance to change, which are highly situation dependent. More than one of these techniques may be used in any given situations.

□□**Education and Communication:** If the logic and advantages of the change are explained early to the team members, resistance can be reduced. This can be achieved through one-to-one discussions, memos, group presentations, or reports. This tactics assumes that the source of resistance lies in misinformed or poor communication. If the team members received the full

facts and have their misunderstanding cleared up, their resistance will subside. Once people have bought into the idea, they will implement the change. The only problem is that this could be very time consuming process, if too many people are to be communicated with.

□□**Participation and Involvement:** Resistance to change can be reduced or eliminated by having those involved participate in the decision of the change through meetings and induction. It is difficult for individuals to resist a change decision in which they participated. Once people have had an opportunity to contribute ideas and become a part of the change process, they will be less inclined to see it fail. However, working in committees or task forces is a time consuming activity, and hence it will take a longer time to bring about changes.

□□**Facilitation and Support:** Easing the change process and providing support for those caught up in it is another way managers can deal with resistance. Retraining programs, allowing time off after a difficult period, and offering emotional support and understanding may help. This emotional support can be given through empathic listening, offering training and other types of help. Such facilitation and emotional support help individual to deal more effectively with their adjustment problems. This process can be time consuming and there is no guarantee that it will always work.

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

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

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

# LEWIN’S MODEL OF CHANGE/APPROACHES TO MANAGING ORG. CHANGE/PLANNED CHANGE

Kurt Lewin argued that successful change in organizations should follow three steps

1. Unfreezing the status quo
2. Movement to a new state
3. Refreezing the new change to make it permanent. **Unfreezing:**

It is actually the process of preparing the system for change through disconfirmation of the old practices, attitudes, tendencies, or behaviors. This is the initial phase where those involved in the change experience a need for something different and a sense of restlessness with the status quo. In essence, the feeling that the system is hurting itself badly now and desperately requires a

change to survive, is sensed by all. Initiative for changes efforts are taken to overcome the pressures of both individual resistance and group conformity.

##### Movement to a new state:

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

##### Refreezing:

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

**Forced Field Analysis:**

Kurt Lewin stated that there are two types of forces operating in the change process. I) Those forces which prepare or make the system ready for changes to occur, are called as driving forces,

ii) Those forces which oppose or operate against changes taking place in the system, are called as restraining forces. If the two sets of forces are equal in strength, then the systems is in a state of equilibrium and changes will not occur. If the driving forces are stronger than the restraining forces, then the system will be changing to find a new equilibrium as the gap to be filled gets narrowed down. A more viable option is to reduce existing resistance by dealing with and minimizing the forces that resist the change. In practice, a combination of both strategies – reducing the restraining factors and increasing the driving forces often ensures best results.

# INTERNATIONAL ORGANISATIONAL BEHAVIOUR

### INTRODUCTION

International Organizational Behavior uses a global perspective to focus on business and management interactions among individuals, groups and teams, and organizations. An international business organization is one which expands its business activities beyond the national border.

There are similarities and dissimilarities in certain respects between national and international organizations. As regards dissimilarities, it is mainly cultural variations across the nations that distinguishes organizational behaviour in international organization from national organization. Given the varying cultural background across the nations, human behaviour at work in them is, therefore, inevitable to vary. The same underlines the need for understanding organizational behaviour in an international context.

**INDIVIDUAL BEHAVIOUR IN INTERNATIONAL ORGANISATION:**

There are a lot of differences in individual behaviour among cultures. Because organizational culture is different from nation to nation. Following are the important points by which the differences in individual behaviour among cultures can be proved.

**Individual Differences:**

No two persons are alike. Individuals differ from each other owing to their varying characteristics that ultimately form an individual’s individuality.

**Individualism/Collectivism**:

Individualism is a state of mind in which a person considers his/her interest first, on a priority basis. For e.g. US culture, Great Britain, Australia culture. Whereas collectivism refers to the situation in which group interest comes first. For e.g. Singapore, Japanese & Indian culture.

**Power Distance:**

This refers to the situation in which organizational members consider the existence of different levels of power in operation. High power distance is otherwise known as autocratic culture where top managers make decision and subordinates follow that one. For e.g. the culture of Pakistan, Brazil and france. Whereas low power distance reflects the situation in which employees follow the order only when they consider it is right. For e.g. US, Australia, Germany’s culture.

**Uncertainty Avoidance:**

While some individuals ready to accpt uncertainty and, in turn, risk to thrive in the challenging and exciting situations, there are others, who simply avoid uncertainty. Employees of US and Australia represent the two cases respectively.

**Masculinity/Femininity:**

Work force structure dominated by either sex has its bearing on employee behaviour at work. India is an example of highly masculine where as Sweden that of highly feminine.

Managerial behaviour. The managerial belief vary across culture. For e.g. Japanese managers believe that very purpose of having an organization structure is to make every employee know his or her boss is. Whereas Indian managers believe in value based management.

**Motivation:**

Variation in motivation across culture also affect employee behaviour at work. In Japan security need is very important where as Sweden emphasizes more on social need.

**GROUP BEHAVIOUR IN INTERNATIONAL ORGANISATION:**

There are four key areas in which group behaviour varies. Those are given below. **Group Dynamics:**

Group formation based on members belonging to diverse cultural background may create several situations like stereotyping, communication problem etc. Therefore managers need to help the group become cohesive and cooperative in functioning.

**Leadership:**

Like leadership styles, leadership roles also vary from culture to culture, Leaders in India, for example, function only within clear confines of their legitimate powers. Where as in Japan leaders are expected to facilitate group performance than merely act as supervisory mechanism. **Power and Conflict:**

Power and conflict are more pronounced in India and Great Britain. Whereas Japan promotes more cohesiveness.

**Communication:**

Communication becomes an imp aspect of interpersonal process which leads to group behaviour in the organization. variation in language and coordination issues across culture affect communication in the international organization.