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BBA Course Material

JMBA21 - ORGANIZATIONAL BEHAVIOUR

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SYLLABUS
ORGANIZATIONAL BEHAVIOUR

UNIT	CONTENT
I	INTRODUCTION : Concept of Organizational Behavior (OB): Nature, Scope and Role of OB: Disciplines that contribute to OB; Opportunities for OB (Globalization, Indian workforce diversity, customer service, innovation and change, networked organizations, work-life balance, people skills, positive work environment, ethics)
II	INDIVIDUAL BEHAVIOUR: 1. Learning, attitude and Job satisfaction: Concept of learning, conditioning, shaping and reinforcement. Concept of attitude, components, behavior and attitude. Job satisfaction: causation; impact of satisfied employees on workplace. 2. Motivation : Concept; Theories (Hierarchy of needs, X and Y, Two factor, McClelland, Goal setting, Self-efficacy, Equity theory); Job characteristics model; Redesigning jobs, 3. Personality and Values : Concept of personality; MyersBriggs Type Indicator (MBTI); Big Five model. Relevance of values; Linking personality and values to the workplace (person-job fit, person-organization fit) 4. Perception, Decision Making : Perception and Judgements; Factors; Linking perception to individual decision making:
III	GROUP BEHAVIOUR : 1. Groups and Work Teams : Concept : Five Stage model of group development; Group norms, cohesiveness ; Group think and shift ; Teams; types of teams; Creating team players from individuals and team based work(TBW) 2. Leadership : Concept; Trait theories; Behavioral theories (Ohio and Michigan studies); Contingency theories (Fiedler, Hersey and Blanchard, PathGoal);
IV	ORGANISATIONAL CULTURE AND STRUCTURE : Concept of culture; Impact (functions and liability); Creating and sustaining culture: Concept of structure, Prevalent organizational designs: New design options.
V	ORGANISATIONAL CHANGE, CONFLICT AND POWER: Forces of change; Planned change; Resistance; Approaches (Lewin's model, Organisational development);. Concept of conflict, Conflict process; Types, Functional/ Dysfunctional. Introduction to power and politics.
	Recommended Text
1	Neharika Vohra Stephen P. Robbins, Timothy A. Judge , Organizational Behaviour, Pearson Education, 18th Edition, 2022.
2	Fred Luthans, Organizational Behaviour, Tata Mc Graw Hill, 2017.
3	Ray French, Charlotte Rayner, Gary Rees & Sally Rumbles, Organizational Behaviour, John Wiley & Sons, 2011.
4	Louis Bevoc, Allison Shearsett, Rachael Collinson, Organizational Behaviour Reference, Nutri Niche System LLC (28 April 2017)
5	Dr. Christopher P. Neck, Jeffery D. Houghton and Emma L. Murray, Organizational Behaviour: A Skill-Building Approach, SAGE Publications, Inc; 2nd edition (29 November 2018).

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UNIT – I

Structure:

- 1.1 Introduction to Organizational Behaviour**
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1.1 Introduction to Organisational Behaviour

Human being is the most complex to understand as individuals differ from each other in various aspects. As we have tried to understand the nature, relevance and significance of organizations, it is very essential to know the behaviour of the workers at the work place. This need has led to the emergence of a discipline known as organizational behaviour, which had a connotation earlier as Industrial psychology.

The field of organizational behaviour focuses the study and research on human behaviour in the work environment. Organizational behaviour (OB) is the study of individual and group behaviour in work settings. However the study is complex as its is has acquired new dimensions with dynamic social and technological changes for the past two decades. Changing demographics, cultural diversity, more educated work force and awareness of rights and privileges has promoted a new look at the entire organizational structure and systems.

The traditional authority structure is giving way to employee involvement, work teams, group spirit, participative decision making, lateral relations, flexible work structures and the likes. High productivity and high quality of work life have become order of the day. The management is becoming more and more aware that an organization, has no life, but for the people in it. As people are considered the most important asset of an organization, there is an increased emphasis in the need for understanding people in an work environment.

Organizations are found in all walks of life. Government offices, banks, schools, colleges, hospital, factories, shops, institutes, political parties and so on. This is necessary to carry on activities of each one of them. Organizing is a basic function of management. It

refers to the process involving the identification and grouping of activities to be performed, defining and establishing the authority-responsibility relationship. This enables people to work most effectively together in achieving the organizational objectives.

In general, organizing consists of determining and arranging for men, materials, machines and money required by an enterprise for the attainment of its goals. In its operational sense, the term organizing means defining responsibilities of the employed people and the manner in which their activities are to be related. The final result of organizing is the creation of a structure of duties and responsibilities of persons in organizational different positions, grouping them according to the similarity, Behaviour and interrelated nature of activities. In brief, organizing process results in the outcome called “organization”, consisting of a group of people working together for the achievement of one or more common objectives.

Organization

We will consider a few definitions of some authors. Money and Reiley: “Organization is the form of every human association for the attainment of a common purpose”. Puffier and Sherwood: “Organization is the pattern of ways in which large numbers of people have intimate face to face contact with all others, are engaged in a variety of tasks, relate themselves to each other in conscious, systematic establishment and accomplishment of mutually agreed purposes”.

The basic feature of any organization is the hierarchy of persons in it. It, therefore, distinguishes among different persons and decides who will be superior and the subordinate. All the organizations allow an unwritten rule that the subordinate cannot defy the orders of the superiors.

Need for Organization

We need organization to execute the management function. Study of organization has to be made necessarily for following reasons:

It provides an ideal setting for the study of human behaviour. The study of organization leads to man’s important discoveries that are vital for the continued well-being of the institutes particularly and the society in general.

Knowledge of organization helps managers to effectively, know various things, such as how to run the organization and protect the environment needs, how to motivate run the organizational subordinates, how to manage conflicts, how to introduce behavioural changes and so on.

Organizations pervade in all the important phases of man's life. A man is born in organizations (hospitals, clinics etc.); he is educated in organizations (schools, colleges etc.), and works in organization (factories, office etc.).

Behaviour

It is the way in which one acts or conducts oneself, especially toward others.

Organizational Behaviour

Organizational behaviour (OB) is the domain that deals with understanding people's behaviour within an organization. The discipline deals with the individual behaviour of employees, group behaviour of employees, and behaviour of employees at the organizational level. In addition, the field investigates the impact of various cognitive, affective and behavioural aspects of human resources on the effectiveness of an organization (like what motivates employees, what makes a manager a good leader, how one can manage group dynamics, etc.). Organizational behaviour is crucial in facilitating present-day managers in dealing with various organisational challenges and opportunities.

Meaning of Organizational Behaviour

Organizational Behaviour simply is a process of studying and understanding the behaviour of individuals in the organization. It is a part of the management process which aims at improving the performance of organizations through understanding and controlling human behaviour. It is through the organizational behaviour that organizations are able to understand the behaviour of the people working with them. Once they get to know about their peoples, organizations can easily influence and motivating them towards achievement of goals.

It helps to improve the relations between the people working in the organization and increase their efficiency. There are two main factors which are studied under organization behaviour term: Individual's nature and the organization's nature. After understanding both the terms properly efforts are made to develop better compatibility between these two terms.

Definitions of Organizational Behaviour

According to Stephen P. Robbins: "Organization Behaviour is a field of study that investigates the impact that individuals, groups and structure have on behavior within organizations, for the purpose of applying such knowledge toward improving an organization's effectiveness."

According to Moorhead/Griffin: "Organization behaviour is the study of human behavior in organizational settings that interface between human behavior and the

organization and the organization itself.”

According to Derek Pugh, organizational behaviour is “the study of the structure, functioning and performance of organizations, and the behaviour of groups and individuals within them.”

According to Fred Luthans has defined OB “as the understanding, prediction, and management of human behaviour in organizations.”

According to Greenberg and Baron have defined organizational behavior as a “multidisciplinary field that seeks knowledge of behaviour in organizational settings by systematically studying individual, group and organizational processes.”

According to Newstrom, OB is the “systematic study and careful application of knowledge about how people—as individuals and as groups—act within organizations. It strives to identify the ways in which people can act more effectively.”

According to L. M. Prasad, “Organizational Behavior (OB) can be defined as the study and application of knowledge about human behaviour related to other elements of an organization such as structure, technology and social systems.”

According to K Aswathappa, “OB is the study of human behaviour in organizational setting, of the interface between human behaviour and organization and of the organization itself.”

What is Organizational Behaviour?

Organizational Behavior is a field of study that investigates the impact that individuals, groups, and structure have on behavior within organizations for the purpose of applying such knowledge toward improving an organization’s effectiveness.

1.2 Characteristics of Organizational Behaviour

1. Behavioral Approach to Management

OB is a behavioral approach to management. It is a part of management related with analyzing behavior of human beings in group & organization. It is a distinct field of study.

2. Science as well as Art

OB is both science and art. It is a systematic body of knowledge about human behavior so it is considered as science. As an art, the knowledge of OB is applied to improve organizational effectiveness.

3. Human tool

Organizational behavior is a tool for human benefit which helps the manager in various areas. It also provides the education needed for creative thinking to avoid and solve human problems in organizations.

4. Action & goal oriented

OB is a goal directed discipline that studies human behavior and explain it in organizational context as well as helps in taking proper action to mould that individual behavior towards the goal achievement of organization.

5. Commonality of Interest

OB helps in providing commonality of interest between individual goals and organizational goals& objectives. It provides common goals that unite the variety of individual interests with the interest of organization.

6. Holistic Concept

OB is a holistic concept which relates people, groups, and whole organization as a system. It gives a broad view of people in organization and studies many factors that influence their behavior. It includes various dimensions, thus gives a broad view of human related issues & problems.

7. Integrating Approach

OB is an integrating approach of human, technical and ethical values at work which draws knowledge from various disciplines such as anthropology, Psychology, Law, Sociology, Economics, IT Political Science, engineering etc.

8. Cause and Effect Relationship

Human behavior is generally taken in terms of cause and effect relationship and not in philosophical terms. It helps in predicting the behavior of individuals. It provides generalizations that managers can use to anticipate the effect of certain activities on human behavior.

9. Organizational Behavior is a Branch of Social Sciences

Organizational behavior is heavily influenced by several other social sciences viz. psychology, sociology and anthropology. It draws a rich array of research from these disciplines.

1.3 Objectives of Organizational Behaviour

Objectives of organizational behavior are:

1. Understands Employee's Behavior

Organizational behavior plays an efficient role in understanding the behavior of people working within organization. It acquires and provides all information regarding behavioral aspects of employees to managers. Managers are able to get which employees behave in what way while performing their roles.

2. Enhancing Organizational Efficiency

It helps in increasing the overall efficiency of organization. Organizational behavior aims at fuller utilization of all resources and eliminating the wastage. It enables managers in selecting the right personnel and matching them with right job by properly understanding their behavior.

3. Resolving Conflicts

Organizational behavior focuses on avoiding and resolving all conflicts arising within the organization. It helps in developing better employer-employee relations and promotes co-operation. Proper knowledge of human behavior enables in treating them accordingly. All people are encouraged for participation in decision making which reduces any conflicts arising due to difference in opinions.

4. Motivating Employees

It supports managers in motivating the people working under them towards their roles. Managers with application of organizational behavior are easily able to identify their needs and problems. They develop better understanding towards them. By focusing and fulfilling their needs efficiently, they can be motivated to work with full dedication towards achievement of desired targets.

5. Enables Performance Appraisal

Rewarding employees in accordance with their performance is an efficient way of improving their productivity. It motivates them to work better in view of getting more rewards. Organizational behavior helps management in appraising the work quality of employees by providing them with all details regarding them.

6. Optimum Utilization of Employees

Organizational behavior focuses on fuller utilization of all resources. It enables managers to understand the working styles of employees and their skills and weakness. Management with the help of proper understanding can impart proper training and develop employees for using them in an optimum way. It ensures that right man is placed at right job and delivers efficient output.

7. Stimulates Innovation and Change

Every business is required to keep itself updated in terms of technological changes to beat competition in market. Organizational behavior studies all market changes and requirements from time to time. It provides all such information to management for implementation of required market changes within the organization. It support business in bring innovative and differentiated products in market at minimized cost.

1.4 Nature of Organizational Behaviour

The nature it has acquired is identified as follows:

1. A Separate Field of Study and Not a Discipline Only

By definition, a discipline is an accepted science that is based on a theoretical foundation. But, O.B. has a multi- interdisciplinary orientation and is, thus, not based on a specific theoretical background. Therefore, it is better reasonable to call O.B. a separate field of study rather than a discipline only.

2. An Interdisciplinary Approach

Organizational behaviour is essentially an interdisciplinary approach to study human behaviour at work. It tries to integrate the relevant knowledge drawn from related disciplines like psychology, sociology and anthropology to make them applicable for studying and analyzing organizational behaviour.

3. An Applied Science

The very nature of O.B. is applied. What O.B. basically does is the application of various researches to solve the organizational problems related to human behaviour. The basic line of difference between pure science and O.B. is that while the former concentrates on fundamental researches, the latter concentrates on applied researches. O.B. involves both applied research and its application in organizational analysis. Hence, O.B. can be called both science as well as art.

4. A Normative Science

Organizational Behaviour is a normative science also. While the positive science discusses only cause effect relationship, O.B. prescribes how the findings of applied researches can be applied to socially accept organizational goals. Thus, O.B. deals with what is accepted by individuals and society engaged in an organization. Yes, it is not that O.B. is not normative at all. In fact, O.B. is normative as well that is well underscored by the proliferation of management theories.

5. A Humanistic and Optimistic Approach

Organizational Behaviour applies humanistic approach towards people working in the organization. It, deals with the thinking and feeling of human beings. O.B. is based on the belief that people have an innate desire to be independent, creative and productive. It also realizes that people working in the organization can and will actualise these potentials if they are given proper conditions and environment. Environment affects performance or workers working in an organization.

6. A Total System Approach

The system approach is one that integrates all the variables, affecting organizational functioning. The systems approach has been developed by the behavioural scientists to analyze human behaviour in view of his/her socio-psychological framework. Man's socio- psychological framework makes man a complex one and the systems approach tries to study his/her complexity and find solution to it.

1.5 Scope of Organizational Behaviour

Organisation Behaviour has an important role in the achievement of organisation objectives. Scope of organisation behaviour is as explained below:

1. Improves the Satisfaction of Employees

Organisation behaviour is mainly concerned with understanding the nature of peoples working in the organisation. It gives the complete idea of how people will respond to the organisation. This helps employers in treating their employees properly and providing them with better facilities.

Managers handle every employee differently as per their nature. Employees also get work as per their interest and better working conditions. Employees are awarded on the basis of their performance. It leads to increase overall satisfaction level of all employees.

2. Reduce the Chances of Conflicts

Conflict is dangerous for successful functioning and growth of every organisation. Every business aims to avoid conflict with their employees. Organisation behaviour helps in developing better relations among employees and also among employer and employee.

There is active participation of every person in decision-making working in the organisation. It avoids all chances of the difference of opinions because the opinion of every individual working is considered. This way it reduces the chances of conflicts and helps in maintaining a peaceful environment.

3. Facilitates Management

Organisation behaviour is considered as an important and integral part of the management process. It is basically concerned with managing and influencing the individuals working in an organisation. Managers find it easy to manage all the staff when they have a better understanding and knowledge regarding their subordinates.

Organisation behaviour does a systematic analysis of peoples working in the organisation and provides all the required information to employers. It performs analysis of individual behaviour, group behaviour and organisation behaviour. This helps in better management of organisation affairs.

4. Helps in Motivation

Companies develop a better system of motivating their employees through organisational behaviour. Through organisational behaviour, complete information regarding employee's need and requirement is well understood.

It makes it easy to understand the individual differences and similarities of all people working at different positions within the organisations. Organisations by focusing on their needs and requirements can motivate their employees. Motivated employees work efficiently toward the achievement of the company's goals.

5. Increases Organizational Efficiency

It aims at increasing the efficiency of the organisation through maximum utilisation of resources. Organisational behaviour attempts to reduce the wastage of resources. It helps in the identification of the right type of human skill required for the organisation for better productivity. Accordingly, the selection and recruitment process is conducted to hire the right peoples. It minimizes the wastage of cost and time involved in these processes.

It also helps to recognise the skills and knowledge of different employees working within the organisation. So accordingly organisations can design their training and improvement programs to improve their employee's skills. This will increase the effectiveness of organisation programs thereby increasing the overall efficiency.

6. Develops Positive Attitude

Organisational behaviour develops a positive working environment within the organisation. It leads to co-operation and mutual trust among peoples working in the organisation. It makes it easy to predict the individual's behaviour, needs and requirements. Organisation can accordingly focus on employee's needs and work for their betterment to increase their satisfaction level.

Employees also develop a sense of belongingness towards the organisation when treated properly. They feel that the organization cares for them. This way the relationship between employer and employee are improved.

7. Helps in Performance Appraisal

Performance appraisal is an important element for improving the performance of the employees. Employees when awarded for their good performance feel motivated to work better. They look forward to being appraised for their good performance.

Organisational behaviour helps to understand the nature and the manner in which people reacts in the organisation. It enables it to predict how peoples are working as an

individual and as a group. Their performance can be measured easily and accordingly, they can be appraised.

1.6 Elements of Organizational Behaviour

Organizational behaviour is the study of human behaviour in an organizational setting. It involves understanding, predicting, and managing human behaviour individually or in a group within an organization. There are four elements in an internal and external organization: people, structure, technology, and social system.

Below are the explanations of elements of an internal and external organization.

1. People

The first element of internal organization is People consisting of individuals and groups. Groups may be official/ unofficial, formal/ informal, and large/ small. The organization's objectives and goals exist to serve the people in the organization.

2. Structure

Structure in an organization determines the sole relationship of people. In an organization, the structure relates to power and duties where one has the authority and others have to obey them.

3. Technology

Technology is the third element in the internal organization. It covers the physical and economic conditions of the people working. The technology depends on the organization's nature, which influences the working conditions.

4. Social System

A social system is the only external environment and a final element in an organization. Therefore, it has the power to influence people's attitudes and working conditions.

1.7 Need for Studying Organizational Behaviour

The rules of work are different from the rules of play. The uniqueness of rules and the environment of organisations forces managers to study organisational behaviour to learn about normal and abnormal ranges of behaviour.

More specifically, organisational behaviour serves three purposes:

- ✓ What causes behaviour?
- ✓ Why particular antecedents cause behaviour?
- ✓ Which antecedents of behaviour can be controlled directly and which are beyond control?

A more specific and formal course in organisational behaviour helps an individual to

develop a more refined, workable set of assumptions more directly relevant to his work interactions. Organisational behaviour helps in predicting human behaviour in the organisational setting by drawing a clear distinction between individual behaviour and group behaviour.

Organisational behaviour does not provide solution to all complex and multifarious behaviour puzzles of organisations. It is only the intelligent judgement of the manager in dealing with a specific issue can try to solve problem. Organisational behaviour only assists in making judgements that derived from tenable assumptions, judgement that takes into account the important variables underlying the situation; judgement that assigns due recognition to the complexity of individual or group behaviour; judgement that explicitly takes into account the managers own goals, motives, hang-ups, blind spots and frailties.

1.8 Disciplines that Contribute to Organizational Behaviour

Organisational behaviour is multidisciplinary in nature. The body of knowledge in organisational behaviour draws heavily from the disciplines like—psychology, sociology, social psychology, anthropology and political science.

The contributions of psychology have been mainly at the individual or micro level of analysis. **Psychology** is the “science that seeks to measure, explain, and sometimes change the behaviour of humans and other animals.” The contributions of the psychologists include areas like learning, motivation, personality, emotions, perception, training, leadership effectiveness, job satisfaction, decision-making processes, performance appraisal, attitude measurement, employee selection techniques, work design and work stress.

While psychology focuses on the individual, **sociology** studies people in relation to their social environment or culture. Sociologists have contributed to the field of OB through their study of group behaviour in organisations, particularly formal and complex organisations. Sociology has contributed to research on organisational culture, formal organisation theory, organisational structure, organisational technology, communications, power and conflict. (Robbins & Judge, 2007, pp.13)

Social psychology is an area within psychology that blends the concepts from psychology and sociology. It mainly focuses on the influence of people on one another. The social psychologists have made significant contribution in the areas of behavioural change, attitude change, communication, and group decision making.

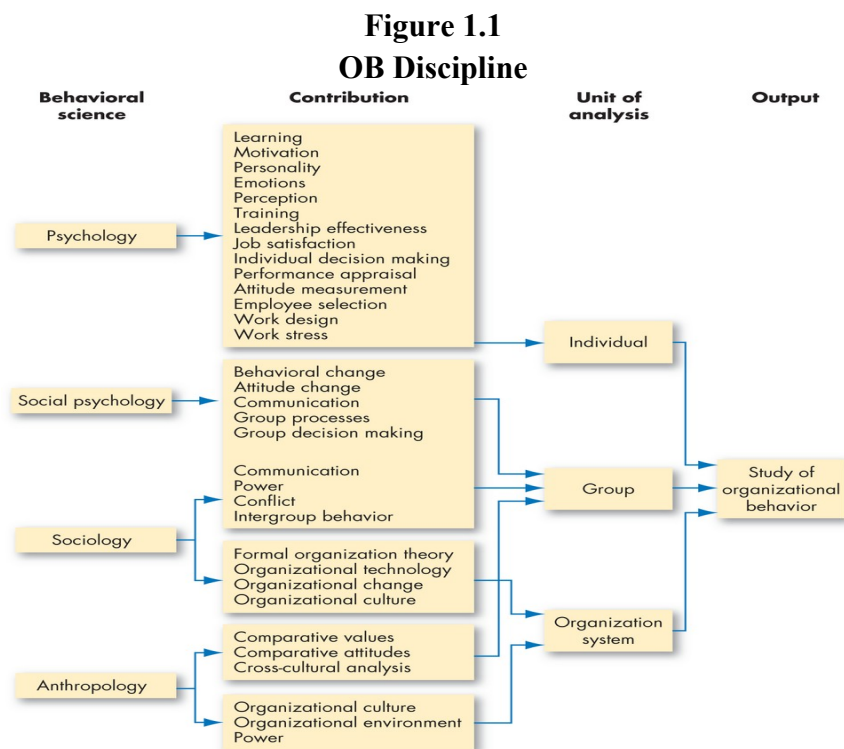
Anthropology is the “study of societies to learn about human beings and their activities.” It has contributions in the areas like comparative values, comparative attitudes, and cross-cultural analysis, organisational culture and organisational environment (Robbins

& Judge, 2007, pp.12-14).

Political science is the “study of behaviour of individuals and groups within a political environment.” The contributions of the political scientists are in the areas like conflict, intraorganisational politics and power.

Industrial psychology applies the theories and principles of psychology to the organisational context. Industrial psychology is defined as the study of human behaviour in the work-related aspects of life and the application of knowledge of human behaviour to the minimization of human problems (McCormick). Schultz and Schultz have defined industrial psychology as the “application of the methods, facts, and principles of psychology to people at work.” It has contributed to OB by providing various attitude measurement techniques, selection devices, and concepts for understanding the individual differences.

The major contributions of some of the disciplines to the study of organisational behaviour are shown in Figure 1.1.



Source: Organizational Behavior, S. P. Robbins, 8th Edition, 1998, PHI, pp.19

1.9 Challenges and Opportunities in Organizational Behaviour

There are lot of challenges and opportunities today for managers to OB concepts. Some of which are stated hereunder:

1. Globalization to Respond

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 Notes 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.

Globalization affects managerial skills in at least two ways

- ✓ 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.
- ✓ 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.

Organizations are no longer constrained by national borders, world become global village.

Increased foreign assignment

Transferred to your employer's operating division in another country. Once there, you'll have to manage workforce, aspiration from employees, and attitudes from those you are used to back home.

Working with different people

Working with bosses, peers and other employees who were born and raised in different culture, to work effectively with them you've to understand how their culture, geographic and religion have shaped them.

Coping with anti-capitalism backlash

"Soak the rich" means fine should be charged with respect of income you earn. Managers at global companies have come to realize that economic values are not universally transferable, need to modify by managers to reflect economic values in those countries they're working.

Overseeing movement of jobs to countries with low cost labor

In a global economy, jobs tend to flow to places where lower cost provides business firms with comparative advantages.

Managing people during the war on terror

An understanding of OB topics such as emotions, motivation, communication and leadership can help managers to deal more effectively with their employees' fear about terrorism.

2. Managing Workforce Diversity

The people in organization are becoming heterogeneous demographically, Workforce diversity = whereas globalization focuses on differences between people from different countries, mix of people in terms of gender, age, race, and sexual orientation. Embracing diversity Changing US demographics Changing management philosophy Recognizing and responding to difference.

This refers to employing different categories of employees who are heterogeneous in terms of gender, race, ethnicity, religion, 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 diverse 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.

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.

3. Improving Quality and Productivity

World added capacity in response to increase demand. Excess capacity translate in increase competition, is forcing managers to reduce costs and, at the same time; improve the organization 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. The key dimensions of quality as follows:

- ✓ **Performance:** Primary operating characteristics of a product such as signal coverage, audio quality, display quality etc.
- ✓ **Features:** Secondary characteristics, added features, such as calculators, and alarm clock features in hand phone.
- ✓ **Conformance:** Meeting specifications or industry standards, workmanship of the degree to which a product's design or operating characteristics match pre established standards.
- ✓ **Reliability:** The probability of a product's failing within a specified period of time.
- ✓ **Durability:** It is a measure of product's life having both economic and technical dimension.
- ✓ **Services:** Resolution of problem and complaints, ease of repair.
- ✓ **Response:** Human to human interface, such as the courtesy of the dealer.
- ✓ **Aesthetics:** Sensory characteristics such exterior finish.
- ✓ **Reputations:** Past performance and other intangibles, such as being ranked first.

More and more managers are confronting to meet the challenges to fulfill the specific requirements of customers. In order to improve quality and productivity, they are implementing programs like total quality management and reengineering programs that require extensive employee involvement.

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

The components of TQM are:

(a) intense focus of the customer, (b) concern for continual improvement (c) improvement in the quality of everything the organization does (d) accurate measurement and (e) empowerment of employees.

Reengineering:

This refers to discrete initiatives that are intended to achieve radically redesigned and improved work process in a bounded time frame. Business Process Reengineering employees a structural methodology that reduces work process to their essential composite activities and provides cost performance matrices to facilitate a business case for dramatic improvements. Both functional and cross-functional processes are evaluated through workflow analysis and activity based costing. In many cases, the application of new technology and industries best practices will enable quantum improvement in an organization's cost and performance.

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.

4. Improving Customer Service

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

5. Improving People Skills

Designing motivating jobs, how creating effective teams, techniques for improving interpersonal 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.

6. 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.

7. 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. 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. Victory will go to the organization that maintains its flexibility, continually improves its quality and beats its competition in the market place. An organization's employees can be a major block to change, the challenge to the manager is to stimulate their creativity and tolerance for change.

8. Coping with Temporariness

Survival for the organization, is need to move fast and flexible and innovative in their products, jobs are redesigned, tasks are done by flexibility, trained old employees with new technology, better understanding of change, overcome resistance to change, create organizational culture.

In recent times, the Product life cycles are slimming, the methods of operations are improving, and fashions are changing very fast. In those days, the managers needed to introduce major change programs once or twice a decade. Today, change is an ongoing activity for most managers. The concept of continuous improvement implies constant change. In yesteryears, there used to be a long period of stability and occasionally interrupted by 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.

9. Emergence of E-Organization

E-commerce

It refers to the business operations involving electronic mode of transactions. It encompasses presenting products on websites and filling order. The vast majority of articles and media attention given to using the Internet in business are directed at on-line shopping. In this process, the marketing and selling of goods and services are being carried out over the Internet. In e-commerce, the following activities are being taken place quite often – the tremendous numbers of people who are shopping on the Internet, business houses are setting up websites where they can sell goods, conducting the following transactions such as getting

paid and fulfilling orders. It is a dramatic change in the way a company relates to its customers. At present e-commerce is exploding. Globally, e-commerce spending was increasing at a tremendous rate from US\$ 111 billion in 1999 to US\$ 1.3 trillion by 2003.

E-business

It refers to the full breadth of activities included in a successful Internet based enterprise. As such, e-commerce is a subset of e-business. E-business includes developing strategies for running Internet-based companies, creating integrated supply chains, collaborating with partners to electronically coordinate design and production, identifying a different kind of leader to run a 'virtual' business, finding skilled people to build and operate intranets and websites, and running the back room or the administrative side . E-business includes the creation of new markets and customers, but it's also concerned with the optimum ways to combine Computers, the Web and Application Software. A sizable number of multinational corporations are selling goods and services via the Internet. Growth rate of e-business: The application of Internet operations are initially covers a small part of the business. At this point, their e-commerce operations are secondary to their traditional business. An increasingly popular application of e-business is merely using the Internet to better manage an ongoing business. Later, there are millions of firms that are now selling anything over the Internet, but they are using e-business applications to improve communications with internal and external stakeholders and to better perform traditional business functions. Some companies are putting maximum effort in improving its internal efficiency and providing support to its wide-reaching dealer network and to on-line sellers by creating a shared and integrated network.

E-organizations

This embraces e-commerce and e-business. State and central governments, municipal corporations are using the Internet for extending all the public utility services more efficiently through internet. Implications for Managers: The employees must acquire skills, knowledge, attitudes in learning new technology, overcoming any resistance.

10. Working in Network Organization

Global working through one link i.e. INTERNET, technology changes the people to work together and communicate at thousand miles, people can work from their home and non office locations.

11. Helping Employees Balance Work-life Conflicts

Flexible Working hours, reporting time, create opportunities for employees, job security, design workplace and jobs.

12. Creating Positive Work Environment

Human strength, vitality, right person appointed at right place, effort on what good is for organization.

13. Improving Ethical Behavior

Manager shouldn't place an order on which subordinate don't agree Define clearly the right and wrong conduct Fair policy and appropriate system Increase confidence and trust over organization Have some logic against order you place to employee.

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.

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 behaviour.

Check Your Progress

Choose the Correct Answer:

1. Organizational Behavior mainly studies

- a) Human behavior in organizations
- b) Financial management
- c) Production techniques
- d) Marketing strategies

Answer: a) Human behavior in organizations

2. Organizational Behavior is concerned with

- a) Individual behavior only
- b) Group behavior only
- c) Individual, group, and organizational behavior
- d) Financial behavior

Answer: c) Individual, group, and organizational behavior

3. Which discipline contributes to Organizational Behavior?

- a) Psychology
- b) Sociology
- c) Anthropology
- d) All of the above

Answer: d) All of the above

4. The study of individual behavior and mental processes is mainly contributed by

- a) Psychology
- b) Economics
- c) Geography

d) Mathematics

Answer: a) Psychology

5. Which discipline helps in understanding group behavior in organizations?

a) Sociology

b) Physics

c) Chemistry

d) Biology

Answer: a) Sociology

6. Globalization in Organizational Behavior refers to

a) Expanding business operations worldwide

b) Local market development

c) National trade only

d) Domestic marketing

Answer: a) Expanding business operations worldwide

7. Work-life balance refers to

a) Equal salary for all employees

b) Balancing work responsibilities and personal life

c) Increasing working hours

d) Reducing employee benefits

Answer: b) Balancing work responsibilities and personal life

8. Innovation in organizations mainly means

a) Following old methods

b) Creating new ideas and improvements

c) Avoiding change

d) Reducing productivity

Answer: b) Creating new ideas and improvements

9. A positive work environment helps to

a) Reduce employee satisfaction

b) Increase conflicts

c) Improve employee motivation and productivity

d) Reduce teamwork

Answer: c) Improve employee motivation and productivity

10. Ethics in Organizational Behavior refers to

a) Ignoring rules

b) Following moral principles and values in the workplace

c) Increasing competition

d) Reducing employee rights

Answer: b) Following moral principles and values in the workplace

Small Questions – LOCF Mapping Table

S.No	Small Question	CO	Bloom's Level	PO
1	What is Organizational Behavior (OB)?	CO1	Remember	PO1
2	State the nature of Organizational Behavior.	CO1	Understand	PO2
3	What is the scope of Organizational Behavior?	CO1	Understand	PO2
4	List any two disciplines that contribute to Organizational Behavior.	CO2	Remember	PO1
5	What do you mean by work-life balance in organizations?	CO2	Understand	PO3

Big Questions – LOCF Mapping Table

S.No	Big Question	CO	Bloom's Level	PO
1	Explain the concept and nature of Organizational Behavior.	CO1	Understand	PO1
2	Discuss the scope and role of Organizational Behavior in organizations.	CO1	Analyze	PO2
3	Explain the various disciplines that contribute to Organizational Behavior.	CO2	Understand	PO3
4	Discuss the opportunities for Organizational Behavior in the modern workplace.	CO3	Analyze	PO4
5	Explain the importance of work-life balance and positive work environment in organizations.	CO3	Evaluate	PO5

UNIT – II

Individual Behaviour

Structure:

2.1 Introduction to Individual Behaviour

2.2 Factors Influencing Individual Behaviour

2.3 Learning

2.4 Attitude

2.5 Job Satisfaction

2.6 Motivation

2.7 Personality and Values

2.8 Perception

2.1 Introduction to Individual Behaviour

Individual behaviour refers to the way in which an individual reacts or behaves at his place of work. It can be defined as a combination of reactions to internal and external stimuli. Individual behaviour defines how a person will respond under distinct conditions and will express different emotions such as happiness, rudeness, love, anger etc. It refers to some concrete action by an individual. Study of individual behaviour reveals the behaviour of human at the working environment. Behaviour of an individual have a great influence on the performance of organization. Positive behaviour will lead to enhance the productivity. Whereas on another hand, negative behaviour will cause damages and bring heavy losses for company.

2.2 Factors Influencing Individual Behaviour

Various factors affecting the individual behaviour is classified into following categories: –

1. Personal Factors
2. Environmental Factors
3. Organizational Factors

1. Personal Factors

Personal factors are of two types: Biographic and Learned Characteristics

Biographic Characteristics: Biographic characteristics are genetic nature and are inherited by individual by their parents or forefathers. These are gifted features that an individual possesses by birth. All of these biographic characteristics are listed below: –

- ✓ **Psychical Characteristics-** Personal characteristics relates to skin, complexion, vision, height, weight, size of nose etc. which influence the performance of

individual. A person with good physical characteristics have an attractive personality, they dress well and behave gently in an organization.

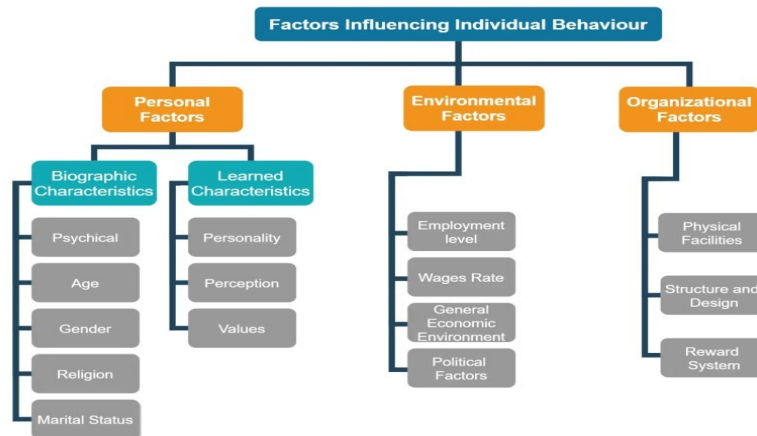
- ✓ **Age-** Age is an individual inherited characteristic that is determined by date of birth. Young people are expected to be more efficient, energetic, risk-taking, innovative and ambitious.
- ✓ **Gender-** Gender is an inherited characteristic as being a men or women is genetic in nature. Woman are expected to be more emotional than men and generates high turnover rates. It is due to more likeness of woman quitting their job citing personal reasons.
- ✓ **Religion-** Religious values of individual influence distinct aspects of his/her behaviour in organization. Highly religious person is stricter towards following moral values, ethics and code of conduct while performing their roles.
- ✓ **Marital Status-** Researcher indicated that with marital status, responsibilities of individual get inclined and for them having steady proper job becomes more important. Such employees have less absences, low turnovers and more job satisfaction.

Learned Characteristics: Learned characteristics refers to the changes in persons behaviour that comes from his/her interactions with environment.

- ✓ **Personality-** Personality solely do not refer to physical characteristics of person but indicates the growth of individual's psychological system. These are the personal traits of persons that comprises of patience, extrovertness, dominance, aggressiveness etc.
- ✓ **Perception-** It is a viewpoint of individual through which it interprets a particular situation. Perception is defined as a process via which information enters mind and an interpretation takes place for providing some sensible meaning to world.
- ✓ **Values-** These are global beliefs that guides distinct actions and judgements in several situations. It comprises of idea of an individual that is based on good, right and desirable opinions.

Figure 2.1

Factors Influencing Individual Behaviour



2. Environmental Factors

The external environment has an effective role in influencing the individual behaviour.

- ✓ **Employment level-** Employment opportunities available within the country act as a major determinant of individual behaviour. In case of less employment opportunities, he/she will remain stick to same job level irrespective of how much satisfaction is attained. However, if there are more employment opportunities available then employees will shift to other jobs.
- ✓ **Wages Rate-** Monetary compensation is a major factor that every employee considers before joining any organization. Therefore, a decision whether to stay in a particular company or shift anywhere else is taken on the basis of wages he/she is getting.
- ✓ **General Economic Environment-** Economic cycle in a country greatly influences the behaviour of individual in an organization. They are subject to retrenchment and layoffs. Job security and a stable income are the most relevant factors of motivation for these type of employees. Whereas, employees of public sector undertakings are not affected by economic position within the country as they receive their fixed salaries irrespective of economic conditions.
- ✓ **Political Factors-** Political factors indirectly influences the behaviour of an individual. In a politically stable environment, there will be large opportunities of steady job positions. It will provide better freedom to individual which will influence their career choice, performance and jib design.

3. Organizational Factors

Wide range of organizational factors influence behaviour of individual which are listed below:

- ✓ **Physical Facilities-** Physical environment at work place have a great influence on behaviour of individual. It comprises of factors like lighting, cleanliness, heat, noise level, office furnishing, strength of workers etc.
- ✓ **Structure and Design-** It is concerned with set-up design of departments within an organization. Individual behaviour is influenced by where an individual perfectly fits in a hierarchy of organization.
- ✓ **Reward System-** Fair reward system adopted by company for compensating its employees enhances the overall performance and behaviour of individual.

2.3 Learning

Learning plays a vital role in the organisation. People learn from the experience of changing behaviour and from the informations collected. Therefore, we should understand the concept of learning in order to understand the behaviour of individuals, groups and the organisation.

Meaning and Definition

In simple words, learning is a change in behaviour as a result of experience. Different scientists defined learning differently as:

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

According to Steers and Porter, “Learning can be defined as relatively permanent change in behaviour potentiality that results from reinforced practice or experience.”

Munn et. al. have defined learning as, “The process of having one’s behaviour modified, more or less permanently, by what he does and the consequences of his action, or by what he observes.”

Features or Characteristics of Learning has the following characteristics:

1. **Learning involves changes:** As indicated earlier, people acquire new information which is processed in their cognition. This process produces new knowledge. This new knowledge brings changes in their existing pattern of behaviour.
2. **Change must be Relatively Permanent:** When the information acquired is converted into knowledge and wisdom, people change their behaviour more or less permanently.
3. **Behavioural issues:** The change in the knowledge and wisdom should produce different attitudes and values. These new attitudes and values should change the behaviour.
4. **Experience-based:** Learning is based on experience. Experience may be direct or indirect, personal or through observation or through reading.

5. **Reinforcement:** The practice and experience must be given due importance for learning to occur or to be repeated.

Learning Process

People learn through different means like observation of others, direct experiences and indirect experiences. Learning through these various means is called social learning. Social learning theory integrates behavioural concepts, cognitive concepts and environmental determination. This theory draws the inputs from the principles of classical and operant conditioning. It also recognises that learning takes place through various means like vicarious, modelling and self controlling process.

People learn from various models like parents, teacher, peers, leaders etc. The influence of models is significant in social learning theory. There are four processes through which the model influences the individuals. The learning process is very well explained by social learning theory. Now, we shall discuss the theories of learning.

Theories of Learning

The concept of learning is quite comprehensive as it covers a broad range of activities. In many books, the theories of learning are also regarded as kinds of learning. The theories of learning are an organized set of principles that explain how individuals attain, retain or recall the learnt knowledge. Learning theories establish the conceptual framework for explaining how information absorption, processing and retention take place during learning. Human learning is influenced by a gamut of factors like Emotional, Cognitive, Past Experiences and Environmental factors. Learning theories prescribe the right format or methodologies of learning for making the learning effective and more impactful.

During early 20th century, many psychologists became increasingly interested in understanding the relevance of learning from a scientific perspective. For a scientific orientation, the study of psychology gave importance to only those variables which were quantifiable and measurable. Environmental influences like, reinforcements, associations, observations and punishments influence the learning process. The key learning theories are Classical Conditioning, Operant Conditioning and Social Learning. Let's have a closer look at all these three major theories of learning.

There are four theories of learning viz.,

1. Classical Conditioning Theory
2. Operant Conditioning Theory
3. Cognitive Theories
4. Social Learning Theories

1. Classical Conditioning Theory and Learning

The key premises of Classical Conditioning theory was established by Russian Physiologist named Ivan Pavlov, who first discovered the crucial principles of classical learning theory with the help of an experiment done on dogs to study their digestive processes. The Nobel Prize laureate of 1904, while studying the digestive processes in dogs came across a very interesting observation during his experimentation. He noticed that his subject would begin to salivate by seeing the lab assistant with white lab coats entering into the room before being fed. Though Pavlov's discovery is originally an accidental discovery, but later with the help of his experiments the classical conditioning theory came into existence. His Classical conditioning theory played a crucial role in explaining the important psychological concepts like learning and equally established the foundation for the behavioural school of thought. Behaviourism is based on two major assumptions:

1. Learning takes place as a result of the interactions with the environmental forces.
2. The environmental forces play a key role in shaping the behaviour.

According to Pavlov's Classical Conditioning theory, learning takes place because of association which is established between a previously neutral stimulus and a natural stimulus. It should be noted, that Classical Conditioning places a neutral stimulus before the naturally occurring reflexes. In his experiment, he tried to pair the natural stimulus that is food with a bell sound. The dogs would salivate with the natural occurrence of food, but after repeated associations, the dogs salivated just by hearing the sound of the bell alone. The focus of Classical Conditioning theory is on automatic and naturally occurring behaviours.

Key Principles of Classical Conditioning Theory

- ✓ **Acquisition:** This is the starting stage of learning during which a response is established firstly and then gradually strengthened. During the acquisition phase, a neutral stimulus is paired with an unconditioned stimulus which can automatically or naturally trigger or generate a response without any learning. Once this association is established between the neutral stimulus and unconditioned stimulus, the subject will exhibit a behavioural response which is now known as conditioned stimulus. Once a behavioural response is established, the same can be gradually strengthened or reinforced to make sure that the behaviour is learnt.
- ✓ **Extinction:** Extinction is expected to take place when the intensity of a conditioned response decreases or disappears completely. In classical conditioning, this occurs when a conditioned stimulus is no longer associated or paired with the unconditioned stimulus.

- ✓ **Spontaneous Recovery:** When a learnt or a conditioned response suddenly reappears after a brief resting period or suddenly re-emerges after a short period of extinction, the process is considered as a spontaneous recovery.
- ✓ **Stimulus Generalization:** It is the tendency of the conditioned stimulus to evoke the similar kind of responses once the responses have been conditioned, which occurs as a result of stimulus generalization.
- ✓ **Stimulus Discrimination:** Discrimination is the ability of the subject to discriminate between stimuli with other similar stimuli. It means, not responding to those stimuli which is not similar, but responding only to certain specific stimuli.

The theory of Classical Conditioning has several applications in the real-world. It is helpful for various pet trainers for helping them train their pets. Classical conditioning techniques can also be beneficial in helping people deal with their phobias or anxiety issues. The trainers or teachers can also put to practise the Classical Conditioning theory by building a positive or a highly motivated classroom environment for helping the students to overcome their phobias and deliver their best performance.

2. Operant Conditioning Theory and Learning

Renowned Behavioural Psychologist B.F. Skinner was the main proponent of Operant conditioning theory. It is for this reason that the Operant Conditioning is also known as Skinnerian Conditioning and Instrumental Conditioning. Just like Classical Conditioning, Instrumental/Operant Conditioning lays emphasis on forming associations, but these associations are established between behaviour and behavioural consequences. The theory stressed on the role of punishment or reinforcements for increasing or decreasing the probability of the same behaviour to be repeated in the future. But the condition is that the consequences must immediately follow a behavioural pattern. The focus of operant conditioning is on voluntary behavioural patterns.

Key Components of Operant Conditioning

- ✓ **Reinforcement:** Reinforcements strengthen or increase the intensity of behaviour. This can be Positive and Negative.
- ✓ **Positive Reinforcement:** When a favourable event or an outcome is associated with behaviour in the form of a reward or praise, it is called as positive reinforcement. For example, a boss may associate bonus with outstanding achievements at work.
- ✓ **Negative Reinforcement:** This involves removal of an unfavourable or an unpleasant event after a behavioural outcome. In this case, the intensity of a response is strengthened by removing the unpleasant experiences.

- ✓ **Punishment:** The objective of punishment is to decrease the intensity of a behavioural outcome, which may be negative or positive.
- ✓ **Positive Punishment:** This involves application of punishment by presenting an unfavourable event or outcome in response to a behaviour. Spanking for an unacceptable behaviour is an example of positive punishment.
- ✓ **Negative Punishment:** It is associated with the removal of a favourable event or an outcome in response to a behaviour which needs to be weakened. Holding the promotion of an employee for not being able to perform up to the expectations of the management can be an example of a negative punishment.
- ✓ **Reinforcement Schedules:** According to Skinner, the schedule of reinforcement with focus on timing as well as the frequency of reinforcement, determined how quickly new behaviour can be learned and old behaviours can be altered.

3. Cognitive Theories

Cognitive theories emphasize on the cognitive process. Cognitive learning theories establish the relationship between cognitive environmental cues and expectations.

Edward Tolman is a widely recognized cognitive theorist. He conducted an experiment using white rats as subjects. He found that a rat could learn to run through an intricate maze with purpose and direction toward a goal (food). The rat learned to expect that certain cognitive cues associated with the choice point might eventually lead to food. Tolman's approach is depicted as S-S (Stimulus-Stimulus). In other words, learning is the association between the cue and expectancy.

Employees expect higher salaries, promotions and high quality of work life. Employees learn that they can achieve their expectations by working productively. The realisation of working productively is the result of cognitive environmental cues. Organisational behaviour researchers are currently concerned about the relationship between cognitions and organisational behaviour.

4. Learning by Observation

According to Albert Bandura, learning cannot simply be based merely on associations or reinforcements which he has mentioned in his writings in his book **Social Learning Theory** which was published in 1977. Instead, his focus was on learning based on observation, which he has proven through his well-known Bobo Doll experiment. He reckoned that children keenly observe their surroundings and the behaviour of people around them, particularly their caregivers, teachers and siblings, and try to imitate those behaviours in

their day to day life. He also tried proving through his experiment that children can easily imitate the negative behaviours or actions.

Another important principle of Bandura's Social Learning Theory was that learning something by way of observation, need not necessarily mean that it would lead to a change in the behaviour. This behavioural change is entirely influenced by the felt need or motivation of a person to endorse and adopt a behavioural change.

Key Steps involved in Observational Learning

- ✓ **Attention:** Attention is very important for learning to take place effectively by following observational techniques. A novel concept or a unique idea is expected to attract the attention far more strongly than those which are routine or mundane in nature.
- ✓ **Retention:** It is the ability to store the learnt information and recall it later, which is equally affected by a number of factors.
- ✓ **Reproduction:** It involves practicing or emulating the learnt behaviour, which will further lead to the advancement of the skill.
- ✓ **Motivation:** Motivation to imitate the learnt behaviour of a model depends a lot on the reinforcement and punishment. For example, an office-goer may be motivated to report to office on time by seeing his colleague being rewarded for his punctuality and timeliness.

2.4 Attitude

“The word attitude describes a persistent tendency to feel and behave in a particular way towards some object”.

“Attitudes are evaluative statements either favourable or unfavourable concerning objects, people or events. They reflect how one feels about something”.

“Attitudes are learned predispositions towards aspects of our environment. They may be positively or negatively directed towards certain people, service or institutions”.

Three components of an Attitude

Cognition, Affective, & behavioral

1. Cognitive component of an attitude is the opinion or belief segment of an attitude. The belief that “discrimination is wrong” is a value statement and an example of the cognitive component of an attitude.
2. Affective component is the emotion or feeling segment of an attitude. Value statements set the stage for the more critical part of an attitude—its affective

component. Affect is the emotional or feeling segment of an attitude. Example: “I don’t like Jon because he discriminates against minorities.”

3. Behavioral component of an attitude is an intention to behave in a certain way toward someone or something. Example: “I chose to avoid Jon because he discriminates.”

Types of Attitudes

OB focuses our attention on a very limited number of job-related attitudes. Most of the research in OB has been concerned with three attitudes: job satisfaction, job involvement, and organizational commitment.

1. Job satisfaction

It refers to a collection of feelings that an individual holds toward his or her job. A high level of job satisfaction equals positive attitudes toward the job and vice versa. Employee attitudes and job satisfaction are frequently used interchangeably. Often when people speak of “employee attitudes” they mean “employee job satisfaction.”

2. Job involvement

A workable definition: the measure of the degree to which a person identifies psychologically with his/her job and considers his/her perceived performance level important to self-worth. High levels of job involvement are thought to result in fewer absences and lower resignation rates. Job involvement more consistently predicts turnover than absenteeism.

3. Organizational commitment

A state in which an employee identifies with a particular organization and its goals. It is understood as one’s identification with his or her organization and feels proud of being its employee. Job involvement refers to one’s attachment to a job whereas organizational commitment implies an employee’s identification with a particular organization and its goals. Turnover and absenteeism are low when employees have organizational commitment. Research evidence demonstrates negative relationships between organizational commitment and both absenteeism and turnover. An individual’s level of organizational commitment is a better indicator of turnover than the far more frequently used job satisfaction predictor because it is a more global and enduring response to the organization as a whole than is job satisfaction. This evidence, most of which is more than three decades old, needs to be qualified to reflect the changing employee-employer relationship.

Cognitive Dissonance Theory

Leon Festinger, in the late 1950s, proposed the theory of cognitive dissonance, seeking to explain the linkage between attitudes and behavior. He argued that any form of inconsistency is uncomfortable and that individuals will attempt to reduce the dissonance.

Dissonance means “an inconsistency.”

Cognitive dissonance refers to “any incompatibility that an individual might perceive between two or more of his/her attitudes, or between his/her behavior and attitudes. “No individual can completely avoid dissonance. The desire to reduce dissonance would be determined by:

- ✓ The importance of the elements creating the dissonance.
- ✓ The degree of influence the individual believes he/she has over the elements.
- ✓ The rewards that may be involved in dissonance

Importance: If the elements creating the dissonance are relatively unimportant, the pressure to correct this imbalance will be low.

Influence: If the dissonance is perceived as an uncontrollable result, they are less likely to be receptive to attitude change. While dissonance exists, it can be rationalized and justified.

Rewards: The inherent tension in high dissonance tends to be reduced with high rewards.

Organizational implications

- ✓ Greater predictability of the propensity to engage in attitude and behavioral change, it is required or demand of job.
- ✓ The greater the dissonance—after it has been moderated by importance, choice, and rewards factors—the greater the pressures to reduce it.

Attitudes and Workforce Diversity

Managers are concerned with changing employee attitudes to reflect shifting perspectives on racial, gender, and other diversity issues.

- ✓ Training activities that can reshape employee attitudes concerning diversity: Participating in diversity training that provides for self-evaluation and group discussions. These diversity programs include a self-evaluation phase where people are pressed to examine themselves and to confront ethnic and cultural stereotypes they might hold. This is followed by discussion with people from diverse groups.
- ✓ Volunteer work in community and social service centres with individuals of diverse backgrounds. Additional activities designed to change attitudes include arranging for people to do volunteer work in community or social service centres in order to meet

face to face with individuals and groups from diverse backgrounds, and using exercises that let participants feel what it is like to be different.

- ✓ Exploring print and visual media that recount and portray diversity issues.

2.5 Job Satisfaction

Measuring Job Satisfaction

Job satisfaction is “an individual’s general attitude toward his/her job.”

Jobs require interaction with co-workers and bosses, following organizational rules and policies, meeting performance standards, living with working conditions that are often less than ideal, and the like. This means that an employee’s assessment of how satisfied or dissatisfied he or she is with his/her job is a complex summation of a number of discrete job elements.

The two most widely used approaches are a single global rating and a summation score made up of a number of job facets.

- ✓ The single global rating method is nothing more than asking individuals to respond to one question, such as “All things considered, how satisfied are you with your job?”
- ✓ A summation of job facets is more sophisticated: It identifies key elements in a job and asks for the employee’s feelings about each one ranked on a standardized scale. Typical factors that would be included are the nature of the work, supervision, present pay, promotion opportunities, and relations with co-workers.

Comparing these approaches, simplicity seems to work as well as complexity. Comparisons of one-question global ratings with the summation-of-job-factors method indicate both are valid.

The Effect of Job Satisfaction on Employee Performance

Managers’ interest in job satisfaction tends to centre on its effect on employee performance. Much research has been done on the impact of job satisfaction on employee productivity, absenteeism, and turnover.

1. Satisfaction and Productivity:

Happy workers are not necessarily productive workers—the evidence suggests that productivity is likely to lead to satisfaction. At the organization level, there is renewed support for the original satisfaction-performance relationship. It seems organizations with more satisfied workers as a whole are more productive organizations.

2. Satisfaction and Absenteeism

Consistent negative relationship between satisfaction and absenteeism. The more satisfied you are, the less likely you are to miss work. It makes sense that dissatisfied

employees are more likely to miss work, but other factors have an impact on the relationship and reduce the correlation coefficient. For example, you might be a satisfied worker, yet still take a “mental health day” to head for the beach now and again.

3. Satisfaction and Turnover

Satisfaction is also negatively related to turnover, but the correlation is stronger than what we found for absenteeism. Other factors such as labor market conditions, expectations about alternative job opportunities, and length of tenure with the organization are important constraints on the actual decision to leave one’s current job. Evidence indicates that an important moderator of the satisfaction-turnover relationship is the employee’s level of performance.

Employee Dissatisfaction

There are a number of ways employees can express dissatisfaction

- ✓ Exit
- ✓ Voice
- ✓ Loyalty
- ✓ Neglect

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

Voice: Actively and constructively attempting to improve conditions, including suggesting improvements, discussing problems with superiors, and some forms of union activity.

Loyalty: Passively but optimistically waiting for conditions to improve, including speaking up for the organization in the face of external criticism, and trusting the organization and its management to “do the right thing.”

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

Exit and neglect behaviors encompass our performance variables - productivity, absenteeism, and turnover. Voice and loyalty are constructive behaviors allow individuals to tolerate unpleasant situations or to revive satisfactory working conditions. It helps us to understand situations, such as those sometimes found among unionized workers, where low job satisfaction is coupled with low turnover.

2.6 Motivation

The biggest challenge faced by the organisations is to get the work done by their employees. This entirely depends on the motivation levels of the employees. Their motivation

is a result of their needs and organisational expectations. If the employees are adequately motivated, the organisation will be able to meet its objectives.

The term 'motivation' is derived from a latin word *movere* which means to move. A motive is an inner state that encourages, activates or moves and that directs behaviour towards goals. Thus, motivation is psychological force within an individual that sets him in motion for the achievement of certain goals or satisfaction of certain needs.

Motives are somewhere a reflection of human needs. E.g. A factory worker knows if he will complete his work on time, he will be rewarded with a bonus or some kind of financial incentive which can be spent. Thus, here we can understand that needs are physiological and psychological drives. On the other hand, drives for which an individual has money and wants to spend become wants. The factors which are utilised for satisfying or motivating people are called incentives.

Definition of Motivation

Several authors have defined motivation in different ways.

According to Robert Dublin, "Motivation is the complex set of forces starting and keeping a person at work in an organization."

According to Stanley Vance, "Motivation represents an unsatisfied need which creates a state of tension or disequilibrium, causing the individual to march in a goal-directed pattern, towards restoring a state of equilibrium by satisfying the need."

Characteristics of Motivation

1. Psychological Process

Motivation is a psychological process. It is the process to achieve a desired result by stimulating and influencing the behaviour of subordinates. A manager should carefully make an attempt to understand the needs, motives and desires of every employee in the organization. The reason for this is that each person is different and a same kind of motivational technique does not apply to all kinds of individuals.

2. Continuous Process

Motivation is a continuous process. When one need is satisfied, another need emerges. Therefore, motivation is an incessant process until the completion of objectives. Therefore, it is the responsibility of the management to develop innovative techniques, systems and methods to satisfy the changing needs of workers.

3. Complex and Unpredictable

Motivation is a complex and unpredictable task. Human wants are not definite and they change according to consequences. A worker may be satisfied in present situation but

due to his changed needs he may not be satisfied in future. Similarly, even two persons may not be motivated with similar behaviour and facilities. Therefore, a manager must be more conscious to motivate subordinates and to achieve objectives.

4. Pervasive Function

Motivation is the pervasive function of all levels of management. Every manager from top to the lowest level in the management hierarchy is responsible for motivation. A manager is largely responsible for motivating his subordinates and secondly other subordinates in management hierarchy.

5. Influences the Behaviour

The most important objective of motivation is to influence the employees' behaviour and thus bringing about the behavioural changes. The managers influence the behaviour of workers and encourage them to concentrate more on their goals.

6. Positive or Negative

Motivation may be positive or negative. A positive motivation promises incentives and rewards to workers. Incentives are both financial and non financial. Negative motivation is based on punishment for poor performance like reducing wages, demotion, job termination etc. On the basis of requirements, manager can use both positive and negative motivation for better performance.

Importance of Motivation

1. Cooperation and Goals

Motivated employees cooperate willingly with the management and thus contribute maximum towards the goals of the company.

2. Productivity

Motivated employees attempt to enhance their knowledge and skills. This enables increase in the productivity.

3. High Efficiency

It has been observed that when motivated employees work sincerely towards their given tasks; they develop a sense of belongingness which results in conserving the organisational resources. This results in improvement in efficiency.

4. Job Satisfaction

Higher motivation paves the way for a higher job satisfaction of the employees. A motivated employee yearning for opportunities for satisfying needs becomes loyal and committed towards his work and eventually the organisation.

5. Better Relations

The number of complaints and grievances reduce when the employees are motivated.

6. Good Image

If the employees of the organisational are motivated and satisfied with the work environment, the image of the company as a good employer boosts in the industry.

Theories of Motivation

Various theories of motivation have been classified on diverse bases in research. These have been discussed in below:

Different types of Motivation Theories

1. Content Theories

- ✓ Maslow 's Theory
- ✓ Herzberg's Theory
- ✓ McClelland Theory
- ✓ Alderfer 's ERG theory

2. Process Theories

- ✓ Expectancy
- ✓ Equity

3. Reinforcement

- ✓ OB Modification

4. Behavioral Theories

- ✓ McGregor X & Y theory
- ✓ Ouchi's Theory Z

1. Content Theories

Content theories emphasize on the idea that motivation depends upon the individual needs. Need could be defined as a state in person's life that triggers action and activates behaviour. Content theorists have gathered that there is a variation in the individual needs and hence the motivation levels. These theories are also referred as needs theories, because they are generally related with a view that focuses on the significance of determining 'what' motivates us. They try to recognize what our 'needs' are and thus relate motivation to the fulfilling of these needs. The important content theories are discussed as follows:

1.1. Maslow's Hierarchy of Needs

Need hierarchy model developed by Abraham Maslow is one of the earliest works in the area of motivation. This theory has classified the human needs into five categories as

shown in Figure 2.2. According to him, once a lower level need of an individual is met, he moves towards the next level needs.

Figure 2.2
Maslow's Hierarchy of Needs



1. Physical or Physiological Needs

These needs include the basis needs of an individual which include food, air, water and shelter. They are lower-order needs and they need to be met first in order to move an individual for higher level needs.

2. Safety Needs

After meeting physical needs, an individual is concerned about the safety needs which include staying in a safe and secure environment. At a work place, the managers ensure meeting of the safety needs by providing job security, medical insurance and safe gadgets and machines for working.

3. Social or Belongingness Needs

These needs include the needs for love, affection and interaction with people. These needs are also called affiliation needs. Social needs are essential to humans so that they do not feel isolated and depressed. Social needs are met through friendships, family and intimacy. A manager can work upon satisfying the social needs by ensuring that employees are provided with cooperative teamwork, kind supervision and sufficient work-life balance.

4. Esteem Needs

These needs include two aspects- self esteem or self respect through personal achievement and social esteem through respect and appreciation from others. Managers should motivate their subordinates by giving those awards and appreciation certificates for their achievements.

5. Self Actualization Needs

It is the pursuit of reaching one's full potential as a person. These needs are not necessarily fully satisfied owing to the exploration of new opportunities by an individual. This depends upon the individual to individual. The management should help in meeting these needs by providing the employees with a challenging tasks and inviting them for decision making.

1.2. Herzberg Two-Factor theory

Frederick Herzberg developed motivation-hygiene theory on the basis of studies to understand the factors affecting satisfaction or dissatisfaction in a work environment. These factors have been classified as motivators and hygiene factors respectively.

Hygiene Factors

These are the basic factors in a job and also known as extrinsic factors. Although, they may not provide positive satisfaction but absence of these factors lead to dissatisfaction. Examples of hygiene factors include status, job security, salary and fringe benefits.

Motivators

These factors are internal to the jobs that provide satisfaction. These are called intrinsic factors. Absence of these factors may not to yield to dissatisfaction but their presence in a job give a sense of satisfaction. Examples of motivators are job challenge, advancement, autonomy, responsibility, etc.

1.3. McClelland's Achievement Model

David McClelland advocated a model of motivation classifying the needs classifying as achievement, affiliation and power. He proposed that an individual's behaviour at any time is guided by multiple motives. But in most situations, one or two motives are dominant and thus motivation varies with variation of needs.

Need for Achievement

People with a high need for achievement seek to excel and thus tend to prefer moderate risks. They choose those tasks whereby they can take personal responsibility for finding solutions to the problems. Achievers require regular feedback in order to check the progress of their achievements. The management should give high achievers challenging projects with attainable goals.

Need for Affiliation

Those with a high need for affiliation look out for pleasant relationships with other people and need to feel accepted by other people. Such people are desirous of companionship and helping each other. High affiliation individuals prefer work that provides them with

significant personal interaction. They tend to conform to the norms of their work group. The managers should create an atmosphere of supportive interpersonal relations for the individuals seeking for affiliation and thus such kind of group formation leads to achievement of goals.

Need for Power

The need for power is stated by the desire to influence others. People seeking a need for power tend to be outspoken and forceful. They are willing to engage in confrontation. Need for power could be one of two types - personal and institutional. Those who need personal power want to direct others and this need is often considered as undesirable. Persons who need institutional power want to manage the efforts of others to promote the goals of the organization. It has been seen that managers with a high need for institutional power tend to be more effective than those with a high need for personal power.

1.4. Alderfer's ERG Theory

Alderfer developed a model of motivation aligning with Maslow's motivation theory by reducing the five needs suggested by Maslow to three needs. These needs are Existence, Relatedness and Growth. According to Alderfer, there is no hierarchy of needs and any desire to fulfil a need can be activated at any point in time. This results in the lower level needs not requiring to be satisfied in order to satisfy a higher level need.

Existence

It refers to our concern with basic material existence motivators.

Relatedness

It refers to the motivation we have for maintaining interpersonal relationships.

Growth

It refers to an intrinsic desire for personal development.

2.1. Expectancy Theory

Expectancy theory was propounded opposing the Herzberg's two-factor theory. This theory was developed by Vroom. The theory explains the behavioural process of why individuals choose one behavioural alternative over another. It suggests that individuals are motivated towards objectives if they think that their performance will be rewarded for the efforts they will put. Vroom suggested three variables in this study-Expectancy, Instrumentality and Valence.

Expectancy

Effort → Performance It is the confidence that better efforts will result in better performance. It is influenced by factors like having appropriate skills for performing the job,

availability of right resources, availability of critical information and getting the required support for accomplishing the goal.

Instrumentality

Performance → Outcome It is the faith that the individual will receive an award if he performs well. This depends upon trusting the people who decide who receives what outcome, understanding the relationship between performance and reward and finally the transparency in the system that decides who get what outcomes.

Valence

Valence is the importance associated by an individual with respect to the expected outcome. It is an expected and not the actual satisfaction that an employee expects to receive after achieving the goals. This is dependent on individuals' needs, values, goals, preferences and source of motivation.

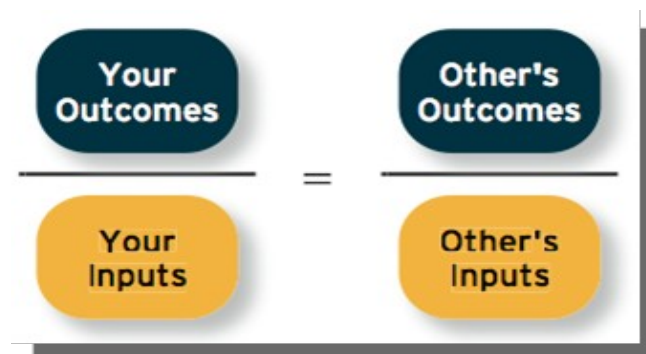
2.2. Equity Theory

Equity theory was suggested by J.S.Adams. The assumption behind this theory is that the employees experience strong expectations of justice, balance and fairness in treatment by their employers. This theory propounds that individuals are motivated by a desire to be treated equally at work.

In this theory, two variables are important namely inputs and outcomes. According to this theory, the employee constantly assesses their level of effort against fellow workers and the reward they receive for their effort. When the employee feels that the compensation and treatment for his efforts are fair with reference to his skills and efforts, he feels satisfied and motivated. The definition of equity is described in following diagram:

Figure 2.3

Adam's Definition of Equity



1. Inputs

These constitute of the quality and quantity of employee's contribution to work. They include time, effort, loyalty, hard work, commitment, ability, adaptability, flexibility,

tolerance, determination, enthusiasm, trust in management, support from colleagues and skills.

2. Outputs

The outputs encompass the positive and negative results that an individual gets after putting inputs into a task. They can be tangible and intangible. Examples of outputs are job security, esteem, salary employee benefits, praise, recognition, etc.

3. Reinforcement Theory

Reinforcement theory is the process of influencing behaviour by controlling the consequences of the behaviour. The theory is based upon “law of effect” which means an individual tends to repeat behaviour which is rewarded while the behaviour which gives punishment is not repeated. They learn from the past and thus develop patterns of behaviour to regulate the future consequences. This approach is called operant conditioning. This theory was propagated by B.F. Skinner. Application of operant conditioning is called Organisational behaviour modification whereby the managers focus on positive rewards to elicit desirable behaviour.

4. Behavioural Theories

Behaviour is described as the way a person conducts themselves towards others. When workers are treated as humans rather than machines, they take action to their particular work situation in a constructive way by increasing individual productivity. Thus, in lines of understanding and improving the human behaviour, McGregor and William Ouchi suggested Theory X and Y and Theory Z respectively.

4.1. McGregor’s Theory X and Theory Y

McGregor has suggested two contrasting theories on motivation based on certain assumptions

Theory X

Theory X revolves around the traditional approach to motivation and control. It represents traditional stereotyped and authoritarian management style. It has following assumptions:

- ✓ An average human being is lazy and doesn’t like to work. He will avoid work if he can.
- ✓ Most human beings lack ambition and thus don’t want responsibility. They prefer to be directed rather than to lead.
- ✓ Most human beings are self centred and indifferent to the organisational goals.
- ✓ Most people are not creative to solve organisational problems.

- ✓ Most human beings are motivated with physiological and safety needs.

These assumptions suggest that the human beings can be motivated by money and the benefits required for satisfying the physical and safety needs. According to the theory, the employees are managed by punishments and strict control. This type of motivational process can only work in the environment whereby the work is repetitive in nature and promotions are not frequent. McGregor advocated Theory Y refuting the assumptions of Theory X as nowadays the employees don't just get motivated with money and related benefits.

Theory Y

Theory Y assumes that people are not unreliable and lazy by nature. It has a positive view on employee motivation and their behaviour. The management undertakes the responsibility of helping the employees to develop and express their creative skills. The assumptions of McGregor's Theory Y are as follows:

- ✓ An average person doesn't dislike work rather work is natural as play.
- ✓ An average human being will exert self control and direct himself for his objectives.
- ✓ An average individual knows that he will be rewarded if he is committed for the objectives. And generally these rewards are higher order needs namely ego satisfaction and self-actualisation.
- ✓ An average person tends to seek responsibility and is ambitious.
- ✓ Imagination, creativity, and ingenuity can be used to solve work problems most of the people.
- ✓ Considering the present scenario of present industrial life, the intellectual potential of an average man is only partly utilized.

Theory Y is more real and generally used in the organisations. In support of this theory, McGregor suggested motivational practices like decentralisation, delegation, job enlargement, participation and consultative management.

4.2. Ouchi's Theory Z

This theory was given by William Ouchi which is based upon a comparative study of American and Japanese management practices. He concluded that many Japanese management practices can be adopted in American perspective. The theory is a mix of both Theory X and Theory Y inclining more towards Theory Y as it has focuses on long term employment and job security and higher concern for happiness and well-being of the employees. Following should be the features of an organisation according to Theory Z:-

- ✓ Trust, integrity and openness should be essential ingredients of an effective organisation.

- ✓ Theory Z says that involvement of employees in related matters improves their commitment and performance.
- ✓ The leader's role should be to coordinate the efforts of his subordinates.
- ✓ The organization and management team should ensure that measures and programs in place should be there to develop employees.
- ✓ Employees should be given greater responsibility to make decisions and understand the organisational aspects; they should be generalists. But still, they should also undertake specialised job tasks.
- ✓ The organization should recognize the contributions of individuals, but always within the context of the team as a whole.

This theory has its limitations as well as it does not provide complete solution to motivational problems owing to difference in the environments of different organisations. But still, it is considered as a philosophy of managing organisations.

2.7 Personality and Personality Development - An Overview

Every individual has his own characteristic way of behaving, responding to emotions, perceiving things and looking at the world. No two individuals are similar.

You might like going out for parties but your friend might prefer staying back at home reading his/her favorite book. It is really not necessary that if you like partying around, your friend will also like the same. Here comes the role of personality.

What an individual sees in his childhood days and most importantly his/her growing days form his personality. How an individual is raised plays an important role in shaping his/her personality.

Personality is nothing but the aggregate conglomeration of memories and incidents in an individual's entire life span. Environmental factors, family background, financial conditions, genetic factors, situations and circumstances also contribute to an individual's personality.

In a layman's language, how we behave in our day to day lives reflects our personality. How an individual behaves depends on his family background, upbringing, social status and so on.

An individual with a troubled childhood would not open up easily. He/she would always hesitate to open his heart in front of others. Some kind of fear would always be there within him. An individual who never had any major problems in life would be an extrovert and would never have issues interacting and socializing with others.

You really can't blame an individual for not being an extrovert. It is essential to check his/her background or past life. It is quite possible that as a child, he/she was not allowed to go out of his home, play and freak out with friends. These individuals start believing that their home is their only world and they are not safe outside. Such a mindset soon becomes their personality.

Figure 2.4



Personality also influences what we think, our beliefs, values and expectations.

What we think about others depends on our personality.

In a layman's language personality is defined as the personal qualities and characteristics of an individual. Personality is how we interact with others.

Personality is a sum of characteristics of an individual which makes him different from the others. It is our personality which makes us unique and helps us stand apart from the crowd.

Determinants of Personality

Following are the factors which help in shaping one's personality:

- 1. Heredity** - Heredity refers to factors that are determined once an individual is born. An individual's physique, attractiveness, body type, complexion, body weight depend on his/her parents biological makeup.
- 2. Environment** - The environment to which an individual is subjected to during his growing years plays an important role in determining his/her personality. The varied cultures in which we are brought up and our family backgrounds have a crucial role in shaping our personalities.

- 3. Situation** - An individual's personality also changes with current circumstances and situations. An individual would behave in a different way when he/she has enough savings with him and his behavior would automatically change when he is bankrupt.

An individual's appearance, character, intelligence, attractiveness, efficiency, style determine his/her personality.

What is Personality Development?

Personality development is defined as a process of developing and enhancing one's personality. Personality development helps an individual to gain confidence and high self esteem.

Personality development is said to have a positive impact on one's communication skills and the way he/she sees the world. Individuals tend to develop a positive attitude as a result of personality development.

Importance of Personality Development

An individual's personality refers to his/her appearance, characteristics, attitude, mindset and behavior with others.

Let us go through the importance of personality development.

Personality development grooms an individual and helps him make a mark of his/her own. Individuals need to have a style of their own for others to follow them. Do not blindly copy others. You need to set an example for people around. Personality development not only makes you look good and presentable but also helps you face the world with a smile.

Personality development goes a long way in reducing stress and conflicts. It encourages individuals to look at the brighter sides of life.

Face even the worst situations with a smile. Trust me, flashing your trillion dollar smile will not only melt half of your problems but also evaporate your stress and worries. There is no point cribbing over minor issues and problems.

Personality development helps you develop a positive attitude in life. An individual with a negative attitude finds a problem in every situation. Rather than cribbing and criticizing people around, analyze the whole situation and try to find an appropriate solution for the same.

Remember, if there is a problem, there has to be a solution as well. Never lose your cool. It would make the situation worse.

It is essential for individuals to behave well with people around. Being polite with others will not only make you popular among other people but also earn you respect and pride. You can't demand respect by being rude with people around.

Personality development plays an important role in developing not only your outer but also inner self. Human being is a social animal. One needs people around. An individual needs to have that magnetic power which attracts people towards him. You need to have that charisma of yours.

Personality development helps you gain recognition and acceptance from the society as well as people around.

Personality development plays an essential role not only in an individual's professional but also personal lives. It makes an individual disciplined, punctual and an asset for his/her organization.

An in-disciplined individual finds it difficult to survive in the long run. Personality development teaches you to respect not only your Boss and fellow workers but also family members, friends, neighbors, relatives and so on.

Never make fun of anyone at the workplace. Avoid criticizing and making fun of your fellow workers.

One should never carry his/her attitude or personal grudges to work. Office is not a place where you can be rude to others just because you had a fight with your friend last night. Personality development sessions help you differentiate between your personal as well as professional life. It is really essential to keep a balance between both the lives to lead a peaceful and stress free life.

Personality development helps an individual to inculcate positive qualities like punctuality, flexible attitude, willingness to learn, friendly nature, eagerness to help others and so on. Never hesitate to share information with others.

Always reach office on time. Some people have a tendency to work till late. Late sittings not only increase your stress levels but also spoil your personal life. Sitting till late at the office indicates that an individual is extremely poor in time management skills.

Personality development helps you develop an impressive personality and makes you stand apart from the rest. Personality development also plays an essential role in improving one's communication skills.

Individuals ought to master the art of expressing their thoughts and feelings in the most desired way. Personality development makes you a confident individual who is appreciated and respected wherever he goes.

Personality Development Tips

Let us go through some tips for enhancing one's personality:

- ✓ **Smile a lot-** Nothing works better than a big smile when it comes to interacting with people around. Do not forget to flash your trillion dollar smile quite often. Believe me, it works! As they say “*a smile is a curve that sets everything straight*”.
 - A smiling face wins even the toughest soul. Wear your smile while interacting with others. Smile not only helps in enhancing an individual’s personality but also winning other’s heart.
- ✓ **Think positive-** It is really essential to think positive. Remember there is light at the end of every dark tunnel. Do not always think negative as it not only acts as a demotivating factor but also makes an individual dull and frustrated. Don’t get upset over minor things. Be a little flexible and always look at the broader perspectives of life.
- ✓ **Dress Sensibly-** Dressing sensibly and smartly go a long way in honing one’s personality. One needs to dress according to the occasion. How would a female look if she wears a sari to a discotheque? Obviously ridiculous! No matter how expensive your sari is, you can’t wear it to a night club or a pub where everyone is dressed in smart casuals. Price has nothing to do with smart dressing.
 - **An individual who is well dressed is respected and liked by all.** No one would take you seriously if you do not wear suitable clothes fitting with occasions. Do take care of the fit of the dress as well.
 - An individual should wear clothes as per his/her body type, height, physique and so on. Someone who is bulky would not look very impressive in body hugging clothes. It is not necessary that something which looks good on your friend would also look good on you.
 - Wear the right make up. You do not have to apply loud make up to look good and attractive. Even minimal make up, if applied sensibly can really make you stand apart from the rest.
- ✓ **Be soft-spoken-** Do not always find faults in others. Fighting and quarrelling lead to no solution. Be polite with others. Be very careful of what you speak. Avoid being rude and short tempered.
- ✓ **Leave your ego behind-** An individual needs to hide his ego everywhere he goes. Be it office or workplace you need to leave your ego behind if you wish to win appreciation from others. An individual who is good from within is loved by all.

- ✓ **Avoid Backbiting-** Backstabbing and criticizing people are negative traits which work against an individual's personality. Learn to appreciate others. If someone has done some extraordinary task, do not forget to give a pat on his/her back. Believe me; the other person will speak high of you even when you are not around. Do not spread unnecessary rumours about someone.
 - An individual should not try to interfere too much in someone's personal life. Dishonesty, cheating, lies tarnish your image and people start avoiding you in the long run. If your friend is seeing someone, you have absolutely no rights to make his/her affair national news.
- ✓ **Help others-** Do not always think of harming others. Share whatever you know. Remember no one can steal your knowledge. Always help others.
- ✓ **Confidence-** Confidence is the key to a positive personality. Exude confidence and positive aura wherever you go.
- ✓ **A Patient listener-** Be a patient listener. Never interrupt when others are speaking. Try to imbibe good qualities of others.

Importance of Character in Personality Development

Let us first understand what does character mean?

Character refers to the sum of an individual's qualities and characteristics which differentiate him/her from others. An individual's character is actually an amalgamation of his/her qualities which makes him unique and helps him stand apart from the rest.

Character plays an essential role in Personality Development

Remember personality development is not only about looking good and wearing expensive brands. It is also about developing one's inner self and being a good human being. More than anyone else, you are answerable to yourself.

Do not do anything which you yourself are not convinced of. An individual is nervous only when he is ashamed of what he is doing.

Character is something which an individual is born with and seldom changes with time as against behaviour.

Honesty is an individual's inherent character which would never change irrespective of his/her situation or circumstance. Would you steal or cheat others just because you do have enough savings with you at the moment? Absolutely NOT — It is just NOT there in your blood.

A person with a good character finds acceptance wherever he goes and respected by all.

Character includes traits such as:

- ✓ Honesty
- ✓ Leadership
- ✓ Trust
- ✓ Courage
- ✓ Patience

You can't force an individual to be loyal towards his organization or for that matter his family members. Character is something which comes from within and is often long lived. A good character helps you develop a winning personality.

In other words, a good character is the backbone of a magnetic personality which attracts other people.

One needs to be honest at work. You need to develop a sense of loyalty and attachment towards your organization. Commitment has to come from within.

Don't just work for money. Don't attend office just to fulfil your job responsibilities. Yes, you will definitely receive your pay check but what about your own satisfaction? There is no one who can measure your loyalty or commitment levels. You need to ask yourself "Are you really happy with your performance?" "How much are you contributing towards the success of your organization?" Analyze your inner self.

People who are not loyal towards their organization often find work monotonous and as a mere source of burden. The moment you start enjoying your work, your performance will automatically go up. If you waste half of your day, chatting with friends or playing games on the internet no one would come to know except you. Do not lie to yourself. If your lunch time is for an hour, make sure you do not waste two hours in gossiping or loitering around.

Not everyone can be a good leader. You need to have leadership qualities to be able to lead your team well. If we take the example of Indian cricket, Sachin Tendulkar is an outstanding cricketer but records prove that he was not a very successful captain. You need to be cool-headed to be a good leader. Remember, your team members might come up with any query which may be logical, may not be logical or relevant. You can't shout on them, else they will never open up.

An individual with a good character would in turn have a good personality. If you are extremely good looking but do not know how to behave, don't be surprised if you are ignored by others. Nothing is more important than your character and moral values. Never cheat others. Remember, life is nothing without ethics and values.

Personality Types

Let us go through the following personality types:

- 1. The Duty Fulfiller - Such individuals take their roles and responsibilities seriously and perform whatever tasks are assigned to them.** Duty fulfillers are serious individuals and believe in honesty and a peaceful living. They never do anything which is not good for themselves, their job, families or for the society. Such individuals are actually good and responsible citizens who abide by the legal system and can't even dream of breaking the law. People with such a personality type are extremely hard working and often find it difficult to say NO to others, eventually becoming overburdened at the end of the day. Such individuals adopt an organized approach towards work and are extremely loyal and faithful. They also show a strong inclination towards creativity and aesthetics.
- 2. The Mechanic - As the name suggests such individuals are inclined towards machinery like aeroplane, motorcycling, cars, races and so on.** They are interested to know why and how certain things function. Theories do not interest them. You would not be able to convince them unless and until they see the practical application themselves. Such individuals are extremely adventurous and have a strong power of logical reasoning.
- 3. The Nurturer -** Nurturers are individuals with a large heart. For them, the happiness of others is more important than their own interests. Such individuals actually live for others. They do not look at the darker sides of life and believe in extracting the best out of people around. They have a positive approach in life and want to believe only the best of people.
- 4. The Artist - Artists have an eye for natural beauty and creativity.** Rather than worrying about future, they believe in living for the moment. Such individuals are extremely cool headed and do not get into unnecessary fights and troubles. They do not blindly copy others and aspire to create a style of their own.
- 5. The Protector -** You would find such a personality type in very few people, making it a very rare personality type. Protectors are systematic individuals who want the best system to get things done. They often think irrationally. They are pessimists who find a problem in every situation. Such individuals do not trust others and only believe in themselves.

6. **The Idealist** - Such people have strong set of values and ethics. They find happiness in helping others. They consider themselves lucky if they get an opportunity to help others.
7. **The Scientist** - Such individuals believe in careful and strategic planning. They are good observers who believe in constantly gathering information and upgrade their existing knowledge. Scientists are extremely intelligent people who have a very sharp analytical mind.
8. **The Doer** - Individuals with such a personality type are the ones who believe in quick actions and immediate results. They enjoy taking risks in life and fulfill tasks assigned to them in the shortest span possible.
9. **The Guardian** - Such individuals are perfectionists who ensure that everything everywhere is going on smoothly. They are mature individuals who have a clear set of standards.
10. **The Performer** - Performers strive hard to grab attention of others and love being the centre of attention. They are fun loving individuals who enjoy fun and excitement in life.
11. **The Inspirer** - Inspirers are talented individuals and often act as a role model for others. They have great people skills.
12. **The Giver** - Individuals with “The Giver” personality type enjoy the company of others and do not prefer staying alone.
13. **The Executive** - Such individuals are born to lead and make very good leaders. They love taking charge and are good decision makers.

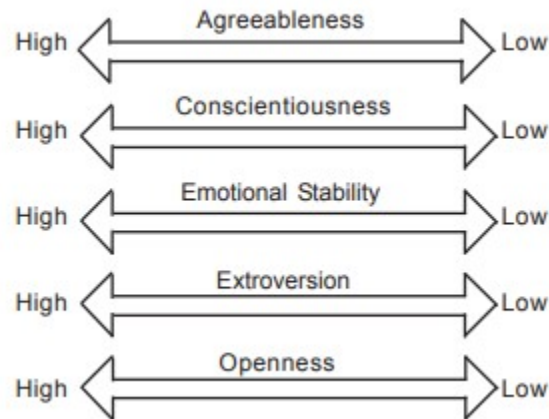
The Myers - Briggs Framework

This is a popular questionnaire with 100 items and is widely used to understand personalities in organizations. Based on the classical work of Carl Jung, the Myers — Briggs Type Indicator (MBTI) asks people how they usually feel or act in particular situations. Based on the answers received, people are differentiated in terms of four general dimensions: sensing, intuiting, judging and perceiving. Highest and lower positions in each of the dimensions are used to classify people into sixteen different categories.

The MBTI is a popular instrument used to assess personality types. It is widely used in selection process. As many as two million people are reported to be taking it each year in the U.S. Research suggest that the MBTI is a very useful method for determining communication styles and interaction preferences. In terms of personality attributes, however, doubts exist about the validity and the stability of the instrument.

The Big Five Model

Stability and validity of the MBTI may be in doubt, but the same cannot be said for the five-factor model of personality — popularly called the “Big Five”



Agreeableness refers to a person’s ability to get along with others. High agreeable people value harmony more than they value having their say or their way. They are cooperative and trusting others. People who low on agreeableness focus more on their own needs than the needs of are others.

Conscientiousness refers to the number of goals on which a person focuses. A high conscientiousness person focuses on relatively few goals at one time. He or she is likely to be organised; Systematic, careful, thorough, responsible, self-disciplined, and achievement-oriented. A person with low conscientious tends to focus on a more number of goals at one time. Consequently, the individual is more disorganized, careless and irresponsible, as well as less thorough and self-disciplined.

Emotional stability focuses on an individual’s ability to cope up the stress. The individual with positive emotional stability tends to be calm, enthusiastic and secure. He or she with negative score tends to be nervous, depressed and insecure. Extroversion reflects a person’s comfort level with relationships.

Extroverts are sociable, talkative, assertive and open to establishing new relationships. Introverts are less sociable, less talkative, less assertive and more reluctant to begin new relationships.

Openness addresses one’s range of interests. Extremely open people are fascinated by novelty and innovation. They are willing to listen to new ideas and to change their own ideas, beliefs and attitudes in response to new information. On the other hand, people with low levels of openness tend to be less respectful to new ideas and less willing to change their minds. They also tend to have fewer and narrow interests and to be less curious and creative.

The “Big Five” framework continues to attract the attention of both researchers and managers. The potential value of this framework lies in the fact that it encompasses an integrated set of traits that appear to be valid predictions of certain behaviour in certain situations. However, the “Big Five” model is primarily based on research conducted in the U.S. Its generalibility to other cultures, therefore, presents unanswered questions.

Major Traits Influencing Organizational Behaviour

There are many different personality traits, but some of the more important ones for organizational behaviour are authoritarianism, locus of control, machiavellianism, introversion-extroversion, achievement orientation, self-esteem, risk taking, self-monitoring and type A personality.

1. Authoritarianism

It is a concept developed by the psychologist Adorn during World War II to measure susceptibility to autocratic, fascistic or antidemocratic appeals. Since that time, the concept has been extended to the authoritarianism personality, a generic term used to describe an individual who has a strong belief in the legitimacy of established mechanisms of formal authority, views obedience to authority as necessary, exhibits a negative philosophy of people, adheres to conventional and traditional value systems, is intellectually rigid and opposes the use of subjective feelings. Authoritarians also tend to be rigid in their positions, place high moral value on their beliefs and are strongly oriented towards conformity to rules and regulations. They naturally prefer stable and structured work environments which are governed by clean rules and procedures. Similarly, authoritarians are likely to prefer autocratic or directive leadership and would exhibit high respect for individuals in positions of authority.

2. Locus of Control

It refers to an individual’s belief that events are either within one’s control (internal locus of control) or are determined by forces beyond one’s control (external locus of control). These personality traits are manifested in different behaviour which are significant to manager. It has been proved that externals (those who believe that events are determined by external forces) are less satisfied with their jobs, have higher absenteeism rates, more alienated from work setting and are less involved on their jobs than internals (those who believe that events are within one’s control). Internals typically have more control over their own behaviour, are more active in seeking information to make decisions, and are more active socially than externals.

3. Machiavellianism

It refers to an individual propensity to manipulate people. Machiavellians would be prone to participate in organizational politics. They are also adept at interpersonal game playing, power tactics and identifying influence system in organizations. Do the Machiavellians make good employees? The answer depends on the type of job and whether one considers ethical considerations in evaluating performance. In jobs that require bargaining skills (such as labour negotiation) or where there are substantial rewards for winning (commissioned sales), Machiavellians perform better.

4. Introversion and Extroversion

These are the most common descriptions of personality traits. These terms are normally associated with an individual's sociability and interpersonal orientation. Extroverts are gregarious and sociable individuals while introverts are shy, quiet and retiring. It is generally established that, introverts and extroverts have significantly different career orientations and require different organizational environments to maximize performance. Extroverts are more suitable for positions that require considerable interaction with others, whereas introverts are more inclined to excel at tasks that require thought and analytical skills. Not surprisingly, managerial positions are dominated by extroverts, thus suggesting that, this managerial trait is a factor in managerial success.

5. Achievement Orientation

It is yet another personality character which varies among people and which can be used to predict certain behaviours. Employees with a high need to achieve, continually strive to do things better. They want to overcome obstacles, but they want to feel that their success or failure is due to their own actions (read internals). This means that they like tasks of moderate difficulty. An easy task shall not evoke challenges and is, therefore, not liked by high achievers. Similarly, a task with high risk is not linked by these people as the failure rates are more. Given the high achievers propensity for tasks where the outcome can be directly attributed to his or her efforts, the high achiever looks for challenges having approximately a 50-50 chance of success on the job, high achievers will perform better where there is moderate difficulty, rapid performance feedback and direct relationship between effort and reward. This means that the high achievers tend to do better in sales, sports or in management.

6. Self-esteem

It refers to feeling of like or dislike of one-self. This trait, naturally, varies from person to person. Self-esteem is directly related to desire for success. People with high self-

esteem believe that they have abilities to undertake challenging jobs. They tend to choose unconventional jobs than those with lower self-esteem. People with low self-esteem are more susceptible to external influence than are those with high esteem. Low esteems are dependent on the receipt of positive evaluation from others. As a result, they are more likely to seek approval from others and more prone to conform to the beliefs and behaviours of those they respect than high esteems. In managerial positions, low esteems will tend to be concerned with pleasing others, and therefore less likely to take unpopular stands than high esteems. Self-esteem is also related to job satisfaction. High esteems are more satisfied with their jobs than the low esteems.

7. Risk-taking

People differ in their willingness to take chances. Their propensity to assume or avoid risk has been shown to have an impact on how long it takes managers to make a decision and how much information they require before making their choice. For instance, 79 managers worked on simulated personnel exercise that required them to make decisions. High-risk-taking managers made more rapid decisions and used less information in making their choices than did low-risk-taking managers. Interestingly, the decision accuracy was the same for both groups. While it is generally correct to conclude that managers in organizations are risk averse, there are still individual differences on this dimension. As a result, it makes sense to recognise these differences and even to consider aligning risktaking propensity with specific job demands. For instance, a high-risk-taking propensity may lead to more effective performance for a stock trader in a brokerage firm. This type of job, demands rapid decision-making. On the other hand, this personality characteristics might prove a major obstacle to accountants performing auditing activities. This latter job might be better filled by someone with a low-risktaking propensity.

8. Self-monitoring

It refers to an individual's ability to adjust his or her behaviour to external factors. Individuals high in self-monitoring can show considerable adaptability in adjusting their behaviour to external, situational factors. They are highly sensitive to external cues and can behave differently in different situations. High self-monitors are capable of presenting striking contradictions between their public, personal and their private selves. Low self-monitors cannot deviate their behaviour. They tend to display their true dispositions and attitude in every situation, hence there is high behavioural consistency between who they are and what they do. The high self-monitors tend to pay closer attention to the behaviour of others and are more capable of conforming than are low self-monitors. We might also

hypotheses that high self-monitors will be more successful in managerial positions where individuals are required to play multiple and even contradicting roles. The high self-monitor is capable of putting on different “faces” for different audiences.

9. Type of personality

Finally, there is type ‘A’ personality and type ‘B’ personality. Type A personality typifies a person who is always in a hurry, is extremely competitive and is often hostile and irritable. Opposite is Type B personality who is relaxed, incompetent and easy going. How do the two perform in organizations? Type A’s are no doubt highly competitive and hardworking. But it is the Type ‘B’ who climbs up to the top of organization. Type A’s will make most successful sales people and senior executive yes are usually Type B’s. Why this paradoxes? Answer lies in the tendency of Type A’s to trade off quality of effort for quantity. Executive positions usually go to those who are patient rather than to those who are merely hasty, to those who are tactful rather than to those who are hostile and to those who are creative rather than to those who are merely agile in competitive strife.

2.8 Perception

Perception is a psychological process that is related to personality of a person and has great impact on his behavior. It is opinion and evaluation of a person about particular event. Perception is depicted as view point of a person. Every person reacts differently in different situation. The person behave on the basis of what he thinks about reality and not necessary as what reality is. It is process by which a person interprets about something, an event or communication.

Perception can be defined as a process by which individuals organize and interpret their sensory impressions in order to give meaning to their environment. However, what one perceives can be substantially different from objective reality. It need not be, but there is often disagreement e.g.: It’s possible that all employees in a firm may have a great place to work, favorable working conditions, interesting job assignment, good pay, an understanding and responsible management — but — as most of us know, its very unusual to find such a work place. Perception is important in the study of OB because people’s behaviour is based on their perception of what reality is, not on reality itself.

Definitions of Perception

According to **S.P. Robbins** “Perception is a process by which individuals organize and interpret their sensory impressions in order to give meaning to environment.”

According to **Joseph Reitz** “Perception includes all those processes by which an individual receives information about his environment – seeing, hearing, feeling, tasting and smelling.”

According to **Luthens Fred** “Perception is an active psychological process by which individuals organize and interpret their sensory impressions in order to give meaning to their environment.”

According to **Udai Pareek** “Perception can be defined as the process of receiving, selecting, organising, interpreting, checking and reacting to sensory stimuli or data.”

According to **Rickey Griffin**, “Perception is a set of processes by which an individual becomes aware of and interprets information about the environment.”

Importance of Perception

It is important to understand perception process. The world we see is not necessarily the same as reality is. So while dealing with people at workplace perception should be properly understood by manager.

1. Perception is very essential to understand human behavior because every person interprets the world and deal with life troubles differently. When dealing with interpersonal conflicts this understanding helps a lot.
2. We can predict behavior of people in different circumstances by understanding their perception about present environment. So management can plan future changes to be made in organisation according to it.
3. People behave and evaluate things according to their needs, so by knowing the perception we can recognize their needs. Manager can motivate employees according to these needs.
4. Perception is very important for the supervisors so that can avoid making mistakes when dealing with employees and while selecting people for different tasks.
5. Perception plays an important role in business organizations. If perception is applied and used correctly it can help the business nurture and survive in the market. It gives the business with a outlook that will help it flourish in the future and expand business opportunities also.

Factors affecting perception

There are several factors that influence perception of a person. These factors can be categorised as external and internal factors.

External Factors

1. **Intensity:** The intensity of stimulus means that the stronger the stimulus audio or visual, the more is the chances it will be perceived. A high noise, strong smell or very brilliant colors will be more easily perceived than soft sound, fragile smell or light colors. This advantage is taken by advertiser and he employs intensity to get customer's attention.
2. **Size:** About the size of stimulus, any odd size gets easy attention, generally the larger the size of the object, more attention it gets. The amount of appeal increases with size of advertisement in newspaper by the people.
3. **Contrast:** The contrast theory states the external stimuli, which have odd combination of face and the background or which are not expected by people, will receive attention. Safety signs having black lettering on yellow base or red get more attraction.
4. **Repetition:** The factor of repetition states that repeated things attracts more than the one time occurrence. Advertiser while giving add on TV or radio repeat the brand name many time
5. **Motion:** The factor of motion tells that people attend to moving objects then static object. Using this advantage the advertiser engages sign which include moving objects in their campaigns.

Internal Factors

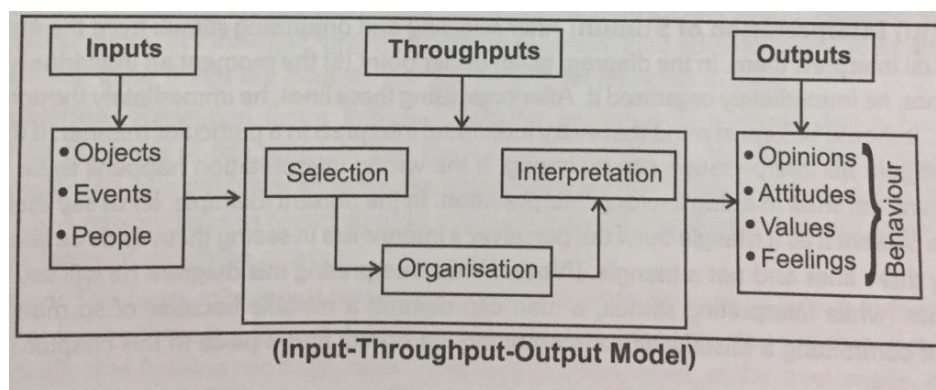
1. **Habit:** Habits can be defined as psychosomatic nature to repeat precedent behavior. It can shape our perception. Like a retired army man may lay down on ground when he hears car tyre burst sound thinking that it's a blast. We can give with right reaction to the similar signals even it is wrong.
2. **Motivation and interest:** People develop perception abilities according to their need of the hour. They will favor selections that they think will help them with their current needs, and be more likely to ignore what is irrelevant to their needs.
3. **Learning Experiences:** Learning has a great impact on development of perception of the person. Usually we learn something by different experiences. Our perception is developed through good and bad experiences. Past experiences would the person's perception.
4. **Organisational role and specialization:** Specialization of employee is valued by organisations. Specialty of individual that is taken in account while giving him a role

influences him to select certain stimuli and to ignore others. Any manager will notice content about his department while reading organisation report.

Perception Process

Process of Perception – Under the process of perception a person chooses information from his surrounding environment organises this information and then interprets it. As a result of it ideas, view point, values, feelings and behaviour are formed. The **process of perception** has been shown in the following: Input-throughput output model in the following diagram:

Figure 2.5
Perception Process



1. Perceptual Inputs

Perception input means the stimuli available in the environment. These stimuli include objects, events and people. When a person comes in contact with the stimuli in the environment, the process of perception starts. Characteristics of stimuli, characteristics of the perceiver himself and the situation have a significant role to play in the choice of stimuli by an individual. In reality, perceptual inputs are not a part of the process of perception but it is needed to start the process of perception.

2. Perceptual Throughputs

Perceptual throughputs are in reality the process of perception. Under it perceptual inputs are converted into perceptual outputs. In other words, under it during perceptual inputs the information received is processed to obtain outputs. The following three factors are included under the perceptual throughput:

- ✓ **Selection of Stimuli:** There are numerous stimuli in the environment. Our sensory organs are not capable enough to absorb all the stimuli. We get attracted to only those stimuli which are related to us. The remaining stimuli are simply ignored by us. In this way, at this stage some stimuli out of a large number are selected. (Note: The

choice of stimuli is influenced by many factors which are detailed ahead in this chapter).

- ✓ **Organisation of Stimuli:** After selecting the stimuli, they are organised so that they can be made meaningful. For example, if we want to draw meanings of an incomplete picture, first of all we shall have to complete the picture itself. Making the incomplete picture complete is called organising. With the help of his cognitive power an individual visualises the complete picture with his perception. Here we have a diagram. Immediately, on seeing this diagram the image of a triangle emerges in our mind. Some other person can look at this diagram as only three lines instead of a triangle. With the help of his sensory system a man can the information received by doing some plus-minus exercise and makes the whole thing meaningful. This is what we call the organisation of stimuli. This is what we call the organisation of stimuli. (Note: Various methods of organising the stimuli are given ahead in this chapter).
- ✓ **Interpretation of Stimuli:** After selecting and organising stimuli from the environment an individual interprets them. In the diagram given under point (ii) the moment an individual's looked at the three lines, he immediately organised it. After organising these lines, he immediately thought that it was a triangle. It should be kept in mind that every individual interprets in a particular manner. If the perceiver is not intelligent his interpretation can be wrong. If the wrong interpretation happens to be favourable to him, he will not shirk in doing a wrong interpretation. In the present example, let us say that the onlooker wants to present it as a triangle but if the perceiver's interest lies in seeing them as three lines, then he will see only three lines and not a triangle. (Note: While interpreting this diagram he will say that there are three lines (while interpreting stimuli, a man can commit a mistake because of so many causes).

3. Perceptual Outputs

When the perceptual inputs go through the process of perceptual throughputs, perceptual outputs start appearing. In other words, at this stage the results of the perception process can be seen. These results are in tune with the individual's opinions, attitudes, values, feelings, etc. The results of this perception process influences the behaviour of an individual along with some other factors.

The Linkage between Perception and Individual Decision Making

1. Individuals in Organizations make decisions; they make choices from among two or more alternatives.

- ✓ Top managers determine their organization's goals, what products or services to offer, how best to finance operations, or where to locate a new manufacturing plant.
- ✓ Middle and lower level managers determine production schedules, select new employees, and decide how pay raises are to be allocated.
- ✓ Non managerial employees also make decisions including whether or not to come to work on any given day, how much effort to put forward once at work, and whether or not to comply with a request made by the boss.
- ✓ A number of organizations in recent years have been empowering their non managerial employees with job related decision-making authority that historically was reserved for managers.

2. Decision-making occurs as a reaction to a problem.

- ✓ There is a discrepancy between some current state of affairs and some desired state, requiring consideration of alternative courses of action.
- ✓ The awareness that a problem exists and that a decision needs to be made is a perceptual issue.

3. Every decision requires interpretation and evaluation of information. The perceptions of the decision maker will address these two issues:

- ✓ Data are typically received from multiple sources.
- ✓ Which data are relevant to the decision and which are not?
- ✓ Alternatives will be developed, and the strengths and weaknesses of each will need to be evaluated.

Decisions = Choosing between 2 or more alternatives

Problems = A discrepancy between some current state of affairs and some desired state

Check Your Progress

Choose the Correct Answer:

1. Learning is defined as

- a) Permanent change in behavior due to experience
- b) Temporary change in mood
- c) Physical development only
- d) Natural instinct

Answer: a) Permanent change in behavior due to experience

2. Learning through association between stimulus and response is called

- a) Classical conditioning
- b) Social learning
- c) Observational learning
- d) Cognitive learning

Answer: a) Classical conditioning

3. Attitude consists of how many components?

- a) Two
- b) Three
- c) Four
- d) Five

Answer: b) Three

4. The three components of attitude are

- a) Cognitive, Affective, Behavioral
- b) Emotional, Physical, Social
- c) Thinking, Acting, Sleeping

d) Knowledge, Skill, Ability

Answer: a) Cognitive, Affective, Behavioral

5. Job satisfaction refers to

a) Employee's positive feeling about their job

b) Salary increase

c) Promotion only

d) Training program

Answer: a) Employee's positive feeling about their job

6. Maslow's theory of motivation is also known as

a) Two-factor theory

b) Hierarchy of needs theory

c) Equity theory

d) Goal-setting theory

Answer: b) Hierarchy of needs theory

7. Which theory was proposed by Douglas McGregor?

a) X and Y theory

b) Equity theory

c) Two factor theory

d) Need hierarchy theory

Answer: a) X and Y theory

8. The Big Five Model explains

a) Learning styles

b) Personality traits

c) Leadership styles

d) Motivation factors

Answer: b) Personality traits

9. MBTI stands for

a) Myers-Briggs Type Indicator

b) Management Behavior Test Index

c) Modern Behavior Theory Index

d) Multiple Behavior Trait Indicator

Answer: a) Myers-Briggs Type Indicator

10. Perception refers to

a) The process by which individuals organize and interpret information

b) Physical strength of employees

c) Training method

d) Communication system

Answer: a) The process by which individuals organize and interpret information

Small Questions – LOCF Mapping Table

S.No	Small Question	CO	Bloom's Level	PO
1	What is learning in Organizational Behavior?	CO1	Remember	PO1
2	What are the components of attitude?	CO1	Remember	PO1
3	What is job satisfaction?	CO1	Understand	PO2
4	What is motivation?	CO2	Remember	PO2
5	What is perception in decision making?	CO3	Understand	PO3

Big Questions – LOCF Mapping Table

S.No	Big Question	CO	Bloom's Level	PO
1	Explain the concept of learning and the process of conditioning, shaping and reinforcement.	CO1	Understand	PO1
2	Discuss the concept of attitude and its components.	CO1	Analyze	PO2
3	Explain the theories of motivation with suitable examples.	CO2	Understand	PO3
4	Describe the concept of personality and explain MBTI and the Big Five model.	CO3	Analyze	PO4
5	Explain the process of perception and its role in individual decision making.	CO4	Evaluate	PO5

UNIT – III

Group Behaviour

Structure:

3.1 Introduction to Group Behaviour in Organisations

3.2 Group Development

3.3 Group Norms

3.4 Group Cohesiveness

3.5 Group think and Group Shift

3.6 Teams

3.7 Leadership

3.1 Introduction to Group Behaviour in Organisations

A group is a collection of two or more people who have a common interest and interact with each other in order to accomplish particular goals. Members of groups relate to each other in the same way and are united by common ties, beliefs, and perceptions on a relatively sustained and structured basis.

A group can be defined as two or more freely interacting individuals who share a common identity or purpose – **Robert Kreitner**

In other words, a workgroup is two or more interacting and interdependent individuals who come together to try to do a task to achieve a goal.

Its members regularly interact with each other and depend upon each other to do their tasks. They share common values and are affected in their behavior and performance by norms. Groups may be formal or informal.

Humans are social animals and hence, form groups wherever they are. This is true for organizations as well as familial and friendship networks wherein people tend to congregate in groups and be governed by the norms and rules of the group.

For instance, familial groups impose a certain way of behavior in us as are the friendship groups that we form. Similarly, organizations are collections of people in groups which require the members to conform to laid down or explicit and informal or implicit rules of behavior.

Indeed, organizations have laid down policies and procedures which enjoin the employees to adhere to such rules as part of their employment.

For example, there are certain organizational policies that stipulate the timings, the dress code, following the rules governing work and contractual basis of employment.

Moreover, such policies are also formed to ensure that the employees work together as a team to realize and actualize the organizational vision and mission.

What is Group Behaviour?

Therefore, group behavior in organizations tends to follow the organizational norms and rules wherein the employees are expected to be disciplined, follow orders, and work to the requirements of the organization rather than their own whims and fancies.

Indeed, the extreme form of groups conforming to the common codes of behavior is the armed forces wherein all members at whatever level they are in are expected to follow the orders of their superiors. On the other hand, organizations such as Google and Facebook are less hierarchical and less structured with employees being allowed to work on their pet projects for a certain period every week.

The difference here is that in the armed forces and many organizations, the boss is always right whereas in the startups and the new economy or the knowledge sector, the rules tend to be less rigid.

Most organizations fall between these two extremes wherein the employees are encouraged, persuaded, and even ordered to conform to the norms of the group with some latitude and freedom being allowed for them to exercise their independence.

Advantages of Group Behavior

There are many advantages to organizations by ensuring that employees stick to the group rules and norms.

For instance, organizations are formed for a specific purpose and if the employees are allowed free run and the free rein, more often than not, the result is chaos and anarchy. Moreover, employees need to conform to group norms since organizations are not charity shows and instead, the employees are being paid to follow the group norms and in turn, contribute to the success of the organizational principles and procedures.

Further, the very basis of the organizational survival is threatened if the employees do not conform to group norms since the organization exists to make profit and not to let employees be paid to have fun. This is not to say that organizations are like prisons or slave camps. Rather, there are obvious and less obvious benefits when employees conform to group norms. This is the reason why the evolution of the modern and the post modern corporations has been such that they impose and enjoin the employees to follow formal and informal norms of behavior.

Definition of Group

Everyone knows what a group is in general. When two persons or more come together and interact at one place it may be called a group. The group may be defined in various ways. Given below are a few important definitions of a group and each of these definitions emphasises one or the other important features of the group.

R.M. Williams (1951) “A social group is a given aggregate of people playing inter-related roles and recognised by themselves or others as a unit of interaction.” Here it can be said the group is an aggregate of some people. The roles of the group members are interrelated. The group is considered a unit.

R.M. MacIver (1953) “By group we mean any collection of social beings who enter into distinctive social relationships with one another.” It is clear that there must be social relationships between the individual members of a group.

David (1968) “A social psychological group is an organised system of two or more individuals who are interrelated so that the system performs some functions, has a standard set of the role relationship among its members and has a set of norms that regulate the function of the group and each of its members.”

Kretch, Crutchfield and Ballachy (1962) defined psychological group “ as two or more persons who meet the following conditions : (i) the relations among the members are independent, each member’s behaviour influences the behaviour of each of the others, (ii) the members ‘share on ideology’ – a set of beliefs, values and norms which regulate their mutual conduct.”

Paulus (1989) “A group consists of two or more interacting persons who share common goals, have a stable relationship, are somehow interdependent and perceive that they are in fact part of a group.”

Features of Group

The important features of the group are:

- ✓ One or more individuals come together and influence each other.
- ✓ There are social interactions and relationships amongst the individual members of a group.
- ✓ There exists some common motives, drives, interests, emotions etc. amongst group members.
- ✓ There is communication among group members, both verbal and or non-verbal.
- ✓ The group members have some common object of attention and group members stimulate each other.

- ✓ They have common loyalty and participate in similar activities.
- ✓ There exists feeling of unity in the group. Group members treat each other with respect and regard and has a sense of comradeship that develops among them.
- ✓ The action of the members is controlled by the group.
- ✓ There are some customs, norms and procedures which are acceptable to everyone but if exception happens, then the particular member will be ostracized from the group.

Characteristics of Group

A group is characterized by its following attributes.

1. Collection of People

A group is a collection of people. For the existence of it, it must have at least two members. Groups cannot be formed without individuals. It is well known that it is difficult to handle more people, for efficiency, there must be a limited number of members.

2. Interaction

A group would be quite static without interaction. It is necessary for all members of the group to interact with each other. Some forms of communication like face-to-face, phone calls, etc., and the ability to communicate are vital for its existence.

3. Shared Goals and Interest

It is formed to achieve some common goals. Goals are the concerns of all members. Achievement of a goal is a reason why individuals formed a group. They share their ideas and interest to accomplish the shared goals.

4. Collective Identity

It is the awareness of each other that most clearly differentiates a group from an aggregation of individuals. Unless people are not aware of each other, they will not interact in a way that achieves common goals.

Causal groups do not qualify as a group because ordinarily, they are not aware of each other. The collective identity is made when its members continuously interact with each other toward the attainment of goals.

5. Group Leader

Every group must have a leader who takes over its members. The leader emerges from within informal groups and is accepted by group members.

6. Roles

As individuals become a member of the group they are assigned some tasks, roles, and responsibilities to complete. It is the group leader who assigns tasks to his members, and he must assign them according to the capacity of his members.

7. Status

A status system is developed in a group. Members are accorded by their groups. Individuals in leadership roles possess status because of their roles. They are ranked highly in the group status hierarchy.

8. Norms

Norms are certain rules about how to behave within groups. Groups prepare implicit or explicit agreements among all the group members to show how they should behave. The more an individual complies with norms, the more he accepts the group's standard of behavior.

Types of Group

We human beings belong to different groups. In organizations, managers and non-managers belong to different groups that exist in the organization. There are different groups we can find. Here, we look, into two major types of groups, formal and informal.

1. Formal Group

A formal group is formed under the organizational structure by virtue of the management decisions to perform the organizational objectives. Its members are selected by the management and are required to assume certain roles.

It is a formally formed group. Members of the formal groups are selected according to their talents in order to do certain defined roles and undertake specific tasks. The functioning of such groups is governed by organizational rules, work assignments, and rational structure.

Production department, finance department, marketing department, personnel department, etc are examples of formal groups.

It can be further classified into two groups, command, and task:

- ✓ **Command Group** – A command group consists of a manager and a set of his immediate subordinates directly reporting to him. It is specified by the organizational hierarchy. It is a relatively permanent group and undertakes certain regular activities of the organization. Different product divisions (Product X, Y, Z) and departments (production, finance, marketing, personnel) are examples of command groups.
- ✓ **Task Group** – A task group is formed for performing a specific task. It consists of a number of employees who work together to complete a specific project or job. It may or may not be part of the organization's structure. This group may be composed of personal specialists, corporate vice presidents, and workers from the shop floor. If it is formed permanently, it is called a standing committee, and if it is formed temporarily

for a specific purpose, it is called an ad-hoc committee or a task force. Examples of task groups are committees, project groups, and task forces.

2. Informal Group

Informal groups developed naturally among an organization's employees without any direction from management. It is a voluntary and unofficial formation of relationships coming into existence by virtue of some commonly shared background, needs, interests, values, and purposes.

The informal group emerges naturally by virtue of the fact that people seek in the organization some kinds of social alliances, interactions, and relationships on a selective basis in the course of their association with their jobs.

The formation of informal groups in the organizations does not signal especially anything good or bad about management practice. It is an important part of the life of the organizations. Friendship can bind people together and help them to cooperate with each other.

It can be also classified into two groups, interest, and friendship:

- ✓ **Interest Group** – Interest groups are formed to share common interests in some job-related event or possible outcome. It is an informal or non-structured group. It emerges to pursue a specific goal and share a common interest. Some common interest areas of employees are holidays, cafeteria, sports, library, overtime facilities, and so on. Employees form interest groups to promote their common interests.
- ✓ **Friendship Group** – Friendship groups are formed in an organization because of the social affiliation needs of the members such as needs for belonging, affiliation, acceptance, etc. Employees having common characteristics such as age, ethnic background, political sentiment, etc. form a friendship group.

Why Do People Join Groups?

Most people belong to a number of groups. It is well known that different groups provide different benefits to their members. The common reasons for joining groups are as follows:

1. Security

Probably the most important reason for joining groups is security reason. By joining groups, individuals can reduce the insecurity of 'Standing Alone'. People feel stronger, have fewer self-doubts, and are more resistant to threats when they are part of groups.

2. Status

Groups provide recognition and status to their members. Where the works of the group's members are clearly shown to everyone. Members can make their position inside and outside of groups.

3. Self-Esteem

Groups provide an individual with a feeling of self-worth. A member is able to know his value. In addition to conveying the status to those outside groups, membership can also give an increased feeling of worth to the members themselves.

4. Affiliation

Groups can fulfill social needs. People enjoy the regular interaction that comes with group members. For many people, on-the-job interactions are their primary means of fulfilling their needs for affiliation.

5. Power

A group represents power, what cannot be achieved individually often becomes possible through the group's actions. Individuals may align with others to protect themselves from unreasonable demands by management.

For an individual who wants to influence others, a group can offer him/her power without a formal position, or authority in the organization.

6. Goal Achievement

People may join groups for goal achievement. When it takes more than one person's talents, knowledge, or power to complete the job, the stated goal can be achieved easily.

Stages of Group Formation

The stages of group development were first described by psychologist Bruce Tuckman in his 1965 essay titled, "Developmental sequence in small groups." The paper discusses how team members start as strangers and flow through five different stages before they become a high-functioning team.

This paper became the groundwork for the stages of group development. Tuckman's foundation helps team leaders understand how team dynamics change as a project progresses. By understanding the five stages of group development, you can support your team as they're getting to know one another to quickly enable collaboration and effective teamwork. Here are the five stages of group development, based on Tuckman's model:

1. Forming

This initial stage involves the formation of the group structure. Team members seek acceptance and avoid conflict. They look to a leader for guidance and direction. Behaviors include politeness, orientation with others personally, and defining tasks and processes.

2. Storming

Conflict arises as the group starts organizing tasks and processes. Power struggles, disagreements, and lack of role clarity are common. Members may feel defensive or uncertain about the team's mission. The focus is on resolving conflicts, establishing consensus-seeking behaviors, and reestablishing roles and ground rules.

3. Norming

Cohesion develops within the team, and shared leadership emerges. Processes and procedures are agreed upon, and there is a focus on effective conflict resolution and consensual decision-making. Trust, acceptance, and a sense of belonging are prevalent.

4. Performing

In this stage, true interdependence is achieved. The team is highly productive, with clear roles and a flexible approach. Collaboration, personal development, and high commitment are evident. Leadership becomes shared, and team members work well individually or as a team.

5. Adjourning

This final stage involves the termination of the group. Members may experience feelings of sadness, relief, or restlessness. The team evaluates its efforts, ties up loose ends, and acknowledges team achievements. Leadership focuses on facilitating the transition and reflecting on the collaborative learning experience.

3.2 Group Development

Group development refers to the process by which members of newly formed work teams learn about their teammates, establish their roles and responsibilities, and acquire the task work and teamwork capabilities required to coordinate their effort to perform effectively as a team.

Tuckman's Five Stages of Group Development

Psychologist Bruce Tuckman developed his team development model in 1965 to explain how healthy groups come together over time. The Tuckman model identifies five stages in which teams develop: build, whirl, adapt, perform, and reverse. Each of the five stages of team development represents a step towards team building. As team members climb the ladder, they move from a group of strangers into a well-functioning group that can work

toward a common goal. Here are five stages of Tuckman team development that are described in detail:

- 1. Structural phase development team:** The stage for making the first phase in the Tuckman team development stages and is the same as your first day at a new job or new school. At this stage, most members of the group are extremely polite and are still very happy about their future. Since team flexibility and team roles have not yet been established, a team leader will often take over the reins of individual members.
- 2. Storm development group:** The storming stage is like when you reach that point with a new roommate where you start noticing their little idiosyncrasies that reach your nerves. In groups, conflicts often arise as a result of conflicting working styles between team members. Some people may even begin to question the group's goals discussed at the outset and then stop altogether. This has a negative and depressing effect on those who continue to work hard as the previously established group processes no longer work well.
- 3. The general phase of group development:** Tuckman's next phase is the general phase. This is when the team overcomes its previous conflicts and begins to see and appreciate the strength of its team colleagues. At this stage, team members are increasingly respecting those in leadership positions. Now that everyone has started to get acquainted with the team's processes, team members feel more comfortable as they work to accomplish new tasks.
- 4. Phase development team play:** The playing phase is the most exciting of all stages of development. At this stage, your team's performance is excellent. This high level of performance means that all team members are self-sufficient and confident enough with their problem-solving skills to be able to work without supervision by leaders. Everyone works like a well-equipped, non-confrontational machine and moves in sync toward the same ultimate goal.
- 5. Phase development team development:** The fifth phase of the Tuckman development sequence is the retreat phase. This last phase was actually not added to the Tuckman model until 1977 and is the most tragic of all stages of team formation. The postponement phase assumes that project teams are only available for a set period of time; once the task of the group is completed, the group itself disintegrates. You can compare this category with separation as group members often find it difficult to separate from people and build close relationships with them. In fact, this stage is

sometimes called the “mourning period” because it is common for team members to feel lost when a group is disbanded.

3.3 Group Norms

“Norms give rise to acceptable and stable behavioural patterns and influence how members perceive and interact with one another, approach decisions and solve problems (Bettenhausen & Murnighan, 1991).”

Definition

"Group norms are the informal rules that groups adopt to regulate and regularise group members' behaviour" (Feldman, 1984). Groups manage to influence both ambiguous and unambiguous situations and therefore people find it safer to agree with others' opinions and conform to social norms (Sherif, 1936).

Characteristics of Group Norms

A **work group norm** may be defined as a standard that is shared by group members and regulates member behavior within a group or organization. An example can be seen in a typical classroom situation when students develop a norm against speaking up in class too often. It is believed that students who are highly visible improve their grades at the expense of others. Hence, a norm is created that attempts to govern acceptable classroom behavior. We see similar examples in the workplace. There may be a norm against producing too much or too little, against getting too close to the supervisor, against being late for work, and so forth. According to Hackman (1996), workgroup norms may be characterized by at least five factors:

- ✓ Norms summarize and simplify group influence processes. They denote the processes by which groups regulate and regularize member behavior.
- ✓ Norms apply only to behavior, not to private thoughts and feelings. Although norms may be based on thoughts and feelings, they cannot govern them. That is, private acceptance of group norms is unnecessary—only public compliance is needed.
- ✓ Norms are generally developed only for behaviors that are viewed as important by most group members.
- ✓ Norms usually develop gradually, but the process can be quickened if members wish. Norms usually are developed by group members as the need arises, such as when a situation occurs that requires new ground rules for members to protect group integrity.

- ✓ All norms do not apply to all members. Some norms, for example, apply only to young initiates (such as getting the coffee), whereas others are based on seniority, sex, race, or economic class.

Functions of Group Norms

Most all groups have norms, although some may be more extensive than others. To see this, examine the norms that exist in the various groups to which you belong. Which groups have more fully developed norms? Why? What functions do these norms serve? Several efforts have been made to answer this question. In general, workgroup norms serve four functions in organizational settings (Feldman, 1984):

- ✓ Norms facilitate group survival. When a group is under threat, norms provide a basis for ensuring goal-directed behavior and rejecting deviant behavior that is not purposeful to the group. This is essentially a “circle the wagons” phenomenon.
- ✓ Norms simplify expected behaviors. Norms tell group members what is expected of them—what is acceptable and unacceptable—and allow members to anticipate the behaviors of their fellow group members and to anticipate the positive or negative consequences of their own behavior.
- ✓ Norms help avoid embarrassing situations. By identifying acceptable and unacceptable behaviors, norms tell group members when a behavior or topic is damaging to another member. For example, a norm against swearing signals group members that such action would be hurtful to someone in the group and should be avoided.
- ✓ Norms help identify the group and express its central values to others. Norms concerning clothes, language, mannerisms, and so forth help tell others who belongs to the group and, in some cases, what the group stands for. Norms often serve as rallying points for group members.

3.4 Group Cohesiveness

Many people wonder what the team cohesion means. Group cohesiveness/Team Cohesiveness also known as Social cohesion is a degree of unity of any group. Team cohesiveness is a degree to which group members are attracted or motivated by each other. Basically, group cohesiveness is the closeness amongst the group members. It is seen that members of a highly cohesive group develop some common characteristics:

- ✓ Everyone respects each other.
- ✓ They are fully committed to the decision made by the group.
- ✓ There is good accountability amongst members.

These are some of the positive impacts of team cohesiveness that increases the overall performance of any group. Organizations consider employees as an asset because the organization is dependent on the people working there. As more and more people are involved in the complex functioning of the company, an organization faces the problem of group cohesiveness and its impact on the overall productivity of the organization as well as the in-office harmony.

If the company wants to achieve the organizational goals it is important that managers encourage all the employees to bond with their team members so that the complete team can work together towards achieving the goal. It is very important that there is a healthy conversation and relation between the team members to work efficiently. Instead of focusing on the competition, it is important that people focus on achieving the goals so that there is no unnecessary tension between the groups.

Features of Group Cohesion

Above we had defined group cohesion, Here we will talk about the features of the group cohesiveness. Group cohesiveness is the most important factor to achieve any goal in the organization. To achieve high group cohesion it is important that groups have these features to attain the organizational goals. Managers will have to check these features before forming the group to assure there is high cohesion. Here are some of the features of group cohesiveness:

The cohesive groups have fewer members.

- ✓ Members of the cohesive teams are of similar interests or backgrounds.
- ✓ It has a high degree of status within organizations.
- ✓ Members are accessible to each other to maintain easy communication.
- ✓ Each cohesive team is physically remote from other groups in the organization.
- ✓ Cooperative behavior is rewarded regularly.
- ✓ Cohesive groups have a history of past success.

Factors Affecting Group Cohesiveness

Factors that affect group cohesiveness are:

1. Similarities of Attitudes and Values

One of the major factors affecting team cohesion is the similarity in attitudes and values among group members. It is basic human nature people enjoy and get attached to the people who have similar opinions, morals, beliefs, and code of conduct as people with the same opinions provide the same kind of social validation.

2. Size of the Group

It is assumed that cohesiveness will decrease as the size of the group decreases. When the size of the group increases the interaction with the members becomes more difficult and hence the goal is hampered.

3. Time

When people spend time with each other the more they will get close and hence it strengthens the degree of cohesiveness.

4. Inter Dependency

When each member has autonomous action, the cohesiveness between the members of such a group would be less as opposed to the group whose members are doing the procedure and are relying upon each other.

5. Management Behaviour

If we talk about factors affecting group cohesiveness then management behavior plays a major role in it. When a manager makes a close relationship with a few in groups that may cause unhealthy competition amongst members of the group. It is important that managers reward cooperative behavior so that the bond grows amongst the groups.

Importance of Group Cohesiveness

When we talk about any organization it is important that there is team cohesion to achieve the goal. Here is the importance of group cohesiveness:

- ✓ **Performance:** If there is great bonding amongst the group then the performance of the group will become better. If management wants good performance it should encourage its employees towards group cohesion.
- ✓ **Satisfaction:** When there is group cohesion the performance will increase and hence it will bring satisfaction to the employees and they will work harder to achieve the goal.
- ✓ **Assurance Pressure:** When we talk about group cohesiveness characters and the behavior is the most important factor. When there is a great bonding between the group then it is assured that surely the task will be completed.
- ✓ **Emotional Factors:** When people work together and have strong bonding people feel emotionally attached and hence people will work with each other in harmony and achieve the goal together.

3.5 Groupthink and Group Shift

Groupthink: Groupthink refers to a psychological phenomenon in which members of a group make decisions based on the pressure that they get from the group.

Group Shift: Group shift refers to a condition where the position of an individual in the group changes to adopt a more extreme position due to the influence of the group.

Characteristics of Groupthink and Group Shift:

Personal view:

Groupthink: Personal view can be put aside in favor of the popular view.

Group Shift: Personal view becomes much stronger due to group influence.

Pressure:

Groupthink: The group has an immense pressure on the individual.

Group Shift: Similar to Groupthink, the group, has an immense pressure on the individual.

3.6 Team

Team can be explained as cumulative effort of a number of individuals. It is different from a group in number of ways. The members of a team are accountable for each others performance. Teams can be termed as more effective than individuals because the employee skills are better utilised in teams. Teams are flexible and enhance and facilitate employee involvement and participation and also lead to increase in motivation of the employees. A team is more effective in problem solving, decision making and achievement of organisational goals as compared to an individual. Teams can be used when many perspectives are needed and acceptance of decision is critical, when the problem or task in hand is complex and diverse suggestions are required and when risk involved is high.

Team can be categorised in to two: (i) Family group and (ii) special group. Family group is a permanent team consisting of a superior and several subordinates whereas the special group is a temporary team constituted to tackle specific tasks, as for example ad hoc committees and newly formed groups.

Teams are significant for various reasons. Changes in norms and values of a team have a direct impact on the behaviours of team members and such changes are long lasting and immediate. Thus teams can be effectively utilised to positively influence the behaviours of its team members. Certain tasks that are complex can be conveniently dealt with, with the help of a team that constitutes individuals with diverse skills.

The cumulative effort of the team members results in a synergy. Further working as a team enhances individuals need for social interaction, recognition, and belongingness. It also serves as a support system while the individuals are facing problems in dealing with tasks on hand.

A team can be distinguished from a group. A group is two or more people who regularly interact and influence each other; however, members of a group see themselves as

individual entity and produce individual output. A team is a type of group with a common objective, whose collective and coordinated efforts result in a common output. A team may be described as a group but not every group can be described as a team. The distinction between team and group is presented in the below:

Difference between a Group and a Team

Group and team are often considered the same but have distinct differences in their definition, purpose, and structure.

A group is a collection of individuals brought together for a common purpose, but each member works independently, focusing on personal goals. It has a loose structure and lacks a unified direction.

On the other hand, a team is a cohesive unit with a shared objective. Its purpose is to collaborate and leverage the strengths of each member to achieve a common goal. A team has a more defined structure, with clear roles, communication, and interdependence among members.

Stages of Team Development

A team goes through various stages of development which can be categorized in to four main headings namely, (i) forming, (ii) storming, (iii) norming and (iv) performing.

These stages are discussed below:

1. Forming

Once the team has been put together, the members may know or may not know each other. At this stage the members interact and get to know each other better. A rapport is established amongst the members which is extremely important for the succeeding stages of team development as well as for the achievement of the team goal. Once the members get to know each other better, they discuss about the team tasks and goals.

2. Storming

As the name suggests this stage is that of discussion and arguments about the team goal and making plans to achieve it. The team members also compete at this stage for status, position and control in the team. At this stage tension between the team members might also be created. It is extremely important for the leader to coordinate amongst the members and manage the team members during this stage as it is most crucial for efficient performance of the team.

3. Norming

At this stage to some extent, balance prevails after the stage of storming. Now the team is in position to work together. It is more settled as the team members are already aware

about the roles that they are expected to play and there is some kind of a consensus with regard to the functioning of the team. The team is now ready to collectively work towards achievement of the goal.

4. Performing

Through the earlier three stages, the team develops and the members also develop positive interpersonal relationship with each other and are more comfortable working with each other. At this stage the team is ready to deal with complex challenges and achieve the team goal.

A fifth stage might be added to this depending on whether the team is permanent or temporary. In case it is temporary then the last stage is Adjourning where the team members have achieved the team goal and are now no more required to work as a team and thus the team is adjourned. At this stage the team members might be involved in winding up activities of the team.

Types of Team

As per the needs of the organisations various types of teams can be employed. Some of these types include (i) problem solving team (ii) cross functional team (iii) Self managing team (iv) virtual team. These are discussed in detail below:

1. Problem Solving Teams

As the name suggests the main purpose of this team is focusing on the problem and coming up with a suitable solution. The members of this team meet regularly to examine work related problems. Quality circles can also be formed under this type of team that mainly discuss and develop solutions to issues that relate to quality, productivity or costs. For the quality circles to be effective the members and the leader need adequate training in group dynamics, information gathering and problem solving techniques.

2. Cross- Functional Teams

The speciality of this type of team is that it consists of members representing different departments or units in the organisation. For example this type of team may consist of managers from different departments in the organisations like finance, human resource, production etc. However, a problem can occur in these teams due to failure in communication across functions, referred to as 'functional silos'. 'Functional silos' occurs when the employees from a particular department are well aware about their own work activity but are poorly involved in and have weak idea about activities of other departments.

3. Self Managing Teams

Also called as self directed teams, this is a high involvement team in which there is no external supervision carried out on the functioning and activities of the team. The team is empowered to carry out their activities, implement decisions and evaluate results on their own.

4. Virtual Teams

Due to technological advancement it is possible for employees in organisations to work together as a team from different locations. Such teams are referred to as virtual teams in which the members from different locations are electronically linked together via networked computers. This type of teams not only saves time but also expenses of travelling from different places. However members should be well trained in using computers.

Team Activities

A team may be constituted to carry out a number of activities in an organisation. These activities include (i) Advising (ii) Innovating (iii) Promoting (iv) Developing (v) Organising (vi) Producing (viii) Inspecting (ix) Maintaining and (x) Linking are listed as follows:

i) Advising

A team may be constituted in order to identify and understand a particular problem or issue in an organisation so as to provide the management with suitable advice. Advice may also be given with regard to organisational development, employee well-being, technological advancement etc.

ii) Innovating

One of the activities carried out by teams is innovating that is brainstorming and engaging in systematic discussion and coming up with innovative ideas about products, advertising, strategies etc.

iii) Promoting

A team may also be involved in promotional activities. These promotional activities may be related to launching a new product or a particular strategy or programme like health, safety, discipline etc. in the organisation.

iv) Developing

A team may be part of developing a new product or strategy. It may also be involved in developmental activities meant for employees or organisation as a whole. But mainly it may be involved in planning the developmental activities and also its implementation and follow-up.

v) Organising

Another activity of a team is organising. A team may be constituted to organise seminars, conferences, events and other programmes in an organisation. It may also be involved in organising training and development programmes. Further, they may also contribute to organising varied human resource functions like selection, recruitment, performance appraisal etc.

vi) Producing

A team may also be involved in the production activities of the organisation. The production may be with regard to the existing products or a newly launched product. In either case a team facilitates the overall functioning of that particular department by providing help to deal with complex problems and making the whole process fast and accurate.

vii) Inspecting

A team may also be formed in order to inspect a particular problem, accident or a strategy. The team members here would be mainly involved in evaluation and analysis of the task in hand.

viii) Maintaining

A team is also utilised in order to maintain discipline, safety rules and strategies in an organisation. They may also be involved in maintaining positive attitude, high morale, high motivation and overall maintenance of organisational citizenship amongst the employees.

ix) Linking

A team also serves as a link between varied groups in an organisation, like, management and employees or two or more formal or informal groups of employees. Its main functions here to bridge the gap between the two or more groups and maintain cordial communication and intergroup relationship.

Thus there are varied types of activities that a team can utilise to perform. A single team may perform one, many or all of the activities depending on the nature of the organisation, problem faced and the demands of the situation.

Introduction to Team-based Organizations

The activity of a group of people working cooperatively to achieve shared goals via differentiation of roles and using elaborate systems of communication is basic to our species. The current enthusiasm for team working in organizations reflects a deeper, perhaps unconscious, recognition that this way of working offers the promise of greater progress than can be achieved through individual endeavour or through mechanistic approaches to work. This is the way we have always lived, loved and worked. We have raised our young in

groups, hunted wildebeest, built our cities and grown and harvested our crops, largely in groups with, as Roberts says, a discipline that can sustain the complicated process of team working.

To live, work, and play in human society is to cooperate with others. We express both our collective identity and our individuality in groups and organizations. Our common experiences of living and working together bind us with each other and with our predecessors. Today we face new demands that make cooperative work in teams more vital and more challenging. To meet the pressures of the global marketplace, organizations are moving away from rigid, hierarchical structures to more organic, flexible forms. Teams are developing and marketing products, solving production problems, and creating corporate strategy. Managers are experimenting with participation, high-commitment organizations, self-managing work teams, labour–management cooperation, and gain-sharing programmes. These innovations, though they have different backgrounds, all involve the explicit use of teams to accomplish central organizational tasks. The team rather than the individual is increasingly considered the basic building block of organizations.

Teamwork is spilling out across organizational and national boundaries. Many manufacturers form teams with suppliers to boost quality, reduce costs and assure continuous improvement. International alliances are becoming the accepted way to participate in the global marketplace. American and Japanese automakers and other traditional competitors have developed a wide variety of cooperative strategies. Increasingly, people with different organizational and national loyalties from diverse cultural backgrounds and unequal status are asked to work together. And teams from commercial organizations are linking with those from universities to develop exciting, useful and radical innovations.

In this topic, we outline not so much how to build effective teams – there are many books that address this issue – but rather how to build organizations that are structured around teams. This is because, in contrast with the wealth of advice on teambuilding and team working, there is astonishingly little guidance or advice to managers on how to build team-based organizations. The overall challenge is to answer the question: how can we build organizations that ensure the effectiveness of work teams and of their organizations? This topic provides a synthesis of knowledge about how to build organizations that are team-based rather than individually based, with a clear focus on the psychological and social processes and emerging relationships that can facilitate or obstruct successful teamwork across organizations. The book is based on evidence gathered by the authors over 20 years through practical management experience, research work in organizations, and consultancy

experience across the public (e.g. health care), manufacturing and service sectors in helping to introduce teambased working (TBW).

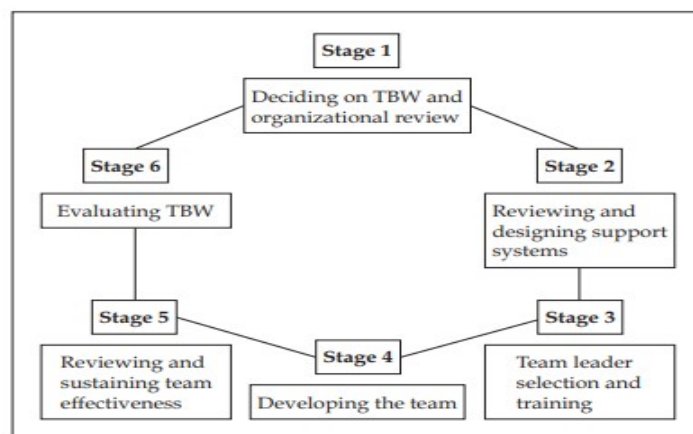
The Six Stages of TBW

The six stages of TBW are:

- 1. Deciding on TBW:** understanding the value and benefits of TBW and conducting an organizational review. Before introducing TBW it is important to understand the existing structure, culture and extent of team working in the organization. This stage also involves developing a plan for the implementation of TBW.
- 2. Developing support systems:** this stage requires an examination of support systems relevant to TBW such as training, reward systems, communication, and interteam relations, and making plans to adapt or develop them for TBW.
- 3. Team leader and team member selection:** establishing criteria for team leader and team member selection and implementing appropriate recruitment and selection processes. Team leader training is important – leading teams is very different from other kinds of leadership so team leaders need to be equipped with the necessary knowledge skills and attitudes.
- 4. Developing effective teams:** understanding and enabling the team development process, which includes clarifying objectives, roles, communication processes and decision-making processes.
- 5. Reviewing and sustaining team effectiveness:** in this stage, teams must be coached to set criteria for the evaluation of team performance and to identify required changes to improve performance.
- 6. Reviewing TBW:** The final stage involves evaluating the contribution of TBW to the organization’s effectiveness and making any necessary changes to ensure the continued and optimal contribution of TBW to the organization.

Figure 3.1

The six-stage model of TBW



3.7 Leadership

Leadership has been defined in different ways by different set of scholars. Leadership is defined as the ability to influence a group towards the achievement of a vision or set of goals. Keith Davis observes that, “without leadership, an organization is but a muddle of men and machines...Leadership transforms potential into reality. It is the ultimate act which brings to success all the potential that is in an organization and its people”.

In 1938, Chester Bernard gave a new definition of leadership and stated that, “leadership is the ability of a superior to influence the behaviour of subordinates and persuade them to follow a particular course of action”. A recent theorist on leadership, Williams (2005), states that, “leadership is an interactive art in which the leader is dancing with the context, the problem, the faction, and the objective”.

A person in an organization may assume leadership both in a formal and informal way. By formal leadership we mean to say that a person assumes leadership role, based on the position that he holds in an organization and in such form of leadership, the leader is designated with the title, along with the authority and responsibility to lead the team. In the second form of leadership, a person assumes leadership without any formal sanction of authority and duty. That is, in informal leadership, the ability to influence the group arises outside the formal structure of the organization and people in the organization oblige to such influence even without the formal influence.

Leadership is quite important for an organization and they act as agents who cope with change and bring about change for the betterment of the organization. Leaders establish direction by developing a vision of future for the organization, communicate the vision to the people in the organization and synchronize them with the organizational vision and mission, thereby inspire the people to translate the goals, vision and mission into reality. Thus, leadership is the ultimate act that brings to success all of the potent potential, that is in an organization and its people.

Theories of Leadership

In influencing the people in the organization towards the goals of the organization, there have been various approaches adopted by different set of leaders, as one model may not be suitable for different organizations with different set of objectives. Moreover, such models or theories of leadership also depend on the qualities that a leader inherit or display in managing her/his team. Some of the theories of leadership ranging from conventional theories to contemporary theories have been dealt with over here, the chief of them being the following:

1. Great Man Theory/Trait Theory
2. Behavioural Theories
3. Contingency/Situational Theories

1. Great Man Theory/Trait Theory of Leadership

Some of the leaders in the history have always been identified as strong leaders based on the qualities or traits that they display. Leaders like Mahatma Gandhi, Indira Gandhi, Margaret Thatcher, Nelson Mandela, Narayana Murthy of Infosys, Apple's Cofounder Steve Jobs etc. has been identified, based on the traits that they displayed. For instance, when Margaret Thatcher was the prime minister of the Great Britain, she was regularly described as a confident, iron-willed, determined and decisive leader. Thus, the trait theories of leadership consider personal qualities and characteristics that differentiate leaders from non-leaders (Robbins, Judge, & Sanghi, 2007).

In the beginning, the assumption behind trait theory was that 'leaders are born and not made'. This concept was popularly known as the 'Great Man Theory' of leadership. The great man theory was originally proposed by Thomas Carlyle in 1949 and the assumption behind this theory is that 'great leaders will arise, when there is great need'. The theory also assumes that a leader cannot be a normal person and they are different from the average person in terms of personality traits such as intelligence, perseverance and ambition. However, a proposition of 'Great Woman' finds no place, especially in leadership studies mainly due to the fact that gender issues were out of context, when the theory was proposed and moreover, it was only male members of the society who were into such research and such biasness was hardly realized by the people then.

In the period of 1960s, various research studies were made on the traits of a leader and about 80 traits that a leader could display was identified. The trait theory assumes that leaders are born with inherited traits and good leaders have the right combination of traits. In 1974, Stogdill identified certain traits and skills that are essential for a leader, which are as follows:

Table 1
Traits and Skills

Traits	Skills
Adaptable to situations	Clever (Intelligent)
Alert to social environment	Conceptually skilled
Ambitious and achievement oriented	Creative
Assertive	Diplomatic and tactful
Cooperative	Fluent in speaking
Decisive	Knowledgeable about group task
Dependable	Organised (administrative ability)
Dominant (desire to influence others)	Persuasive
Energetic (high activity level)	Socially-skilled
Persistent	
Self-confident	
Tolerant to stress	
Willing to assume responsibility	

Ref: Stogdill, 1974

A comprehensive review of the leadership literature on traits, reveal that one of the significant approach that was developed was the Big Five Personality Framework. Though various traits were identified by different studies, it was possible that such traits were somehow clubbed or subsumed under the Big Five approach. Though the approach seems to be complex, it offers useful insights. Leaders who are extraverted (individuals who like being around people and are able to assert themselves), conscientious (individuals who are disciplined and keep commitments they make), and open (individuals who are creative and flexible) do seem to have an advantage when it comes to leadership, suggesting that good leaders do have key traits in common.

In recent years, another trait that has been identified with leadership is the Emotional Intelligence (EI). Advocates of EI argue that without it, a person can have outstanding training, a highly analytical mind, a compelling vision, and an endless supply of terrific ideas, but still not make a great leader. The general assumption is that, empathetic leaders can sense others' needs, listen to what followers say (and don't say), and are able to read the reactions of others.

2. Behavioural Theories

In the 1940s, apart from the research studies being conducted on the traits displayed by leaders, research was also conducted on the behaviours exhibited by leaders. The first and foremost study on leadership was carried out by psychologist, Kurt Lewin and his associates in 1939 and identified different styles of leadership, viz. autocratic, democratic and laissez-faire leadership, which has been discussed in the next unit. While the assumption behind

traits theory is that „leaders are born, rather than made’, behavioural theories assume that specific behavioural patterns of leaders can be acquired through learning and experience. While the trait theory concentrates on ‘what the leaders are’, the behavioural theories concentrate on ‘what the leaders do’. In this section, four different behavioural pattern of leadership has been dealt with, which are as follows:

(i) Ohio State Studies

One of the foremost studies that emanated on behavioural theories was the study made by Ohio State University in 1945 by E.A. Fleishman, E.F. Harris and H.E. Burt. The study narrowed the leadership behaviours into two categories, viz. initiating structure and consideration, under which the various leadership behaviours were clubbed.

- ✓ **Initiating Structure:** Initiating structure refers to the extent to which a leader is likely to define and structure his or her role and those of employees in the search for goal attainment. It includes behaviour that attempts to organize work, work relationships, and goals. A leader with initiating structure is generally task oriented, with focus on performance of employees and meeting of deadlines.
- ✓ **Consideration:** As per „consideration“ category, a leader pays more attention to the employee of the organization rather than the task and shows concern for the well-being, comfort and satisfaction of employees. That is, a leader focuses on the relationships that are characterised by mutual trust, respect for employees“ ideas, and regard for their feelings.

The two-factor conceptualization of Ohio Studies has been gaining wide recognition in recent times.

(ii) University of Michigan Studies

Similar to the Ohio State University studies, research on leadership studies was also carried out by the University of Michigan’s Research centres, in 1946 by Rensis Likert and his associates. The study made an analysis of the relationship between leadership behaviours and organizational performances. Michigan Studies also identified a twofactor component, viz. ‘employee-oriented leader’ and ‘production-oriented leader’.

- ✓ **Employee-Oriented Leader:** The concern of the employee-oriented leaders were more on the interpersonal relations with the employees and such leaders paid more attention on the needs of the employees and accepted the individual differences among members.
- ✓ **Production-Oriented Leader:** The production oriented-leaders paid attention to the technical aspects of the job or the tasks assigned to the employees, rather than on

employees. Such leaders gave least importance to the group members, and regarded the employees as only a means to achieve the ends, that is, the goals of an organization.

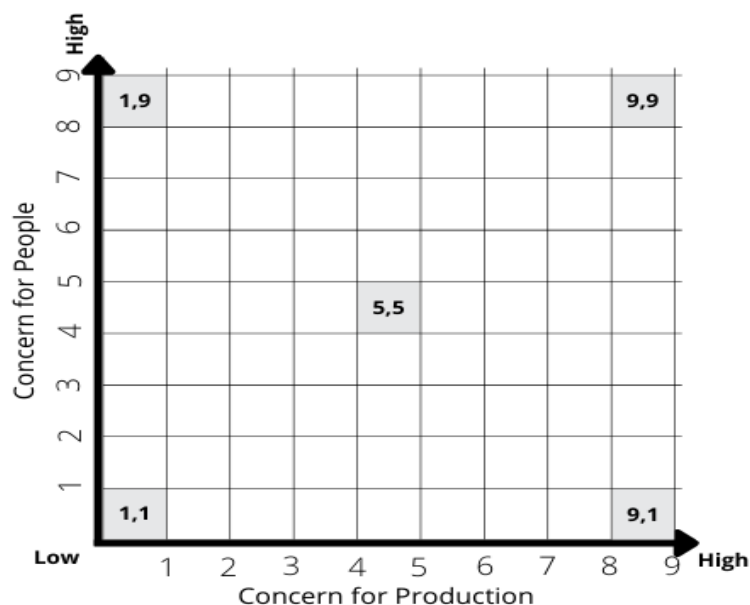
It can be found that the two-factor conceptualization of the Ohio study is similar to the two way dimension of the Michigan studies. While the employee-oriented leadership can be compared with the ‘consideration’ component of Ohio studies, production-oriented leadership can be compared with ‘initiating structure’. While the Ohio studies considered both its components to be important for effective leadership, the Michigan studies gave supremacy to the component of ‘employee-orientation’ over ‘production-orientation’.

(iii) The Managerial Grid

Like the Ohio State studies and Michigan studies, the Managerial Grid theory of leadership was also based on the styles of ‘concern for people’ and ‘concern for production’. The Managerial Grid theory of leadership was proposed by Robert Blake and Jane Mouton in 1964. This theory which is depicted in a graphical form is also known as the ‘Leadership Grid Theory’.

The grid is a nine-by-nine matrix which outlines 81 different styles of leadership. The grid has 9 possible positions along each axis creating 81 different positions in which the leader’s style may fall.

Figure 3.2
Managerial Grid



Through the Managerial Grid, 5 kinds of Leadership Style was identified, which include the following:

- ✓ Impoverished, in which there is low concern for people and production (1 by 1).
- ✓ Country Club, wherein the concern for production is low, but for people is high (1 by 9).
- ✓ Task, in which there is high concern for production and low concern for people (9 by 1).
- ✓ Middle of the Road, where there is moderate concern for both the production and the people (5 by 5).
- ✓ Team, wherein there is high concern for both the people and production (9 by 9).

This theory, thus offers a useful framework for conceptualizing and understanding the leadership styles.

Though behavioural theories make its contribution in understanding leadership effectiveness, it cannot be considered as the utmost option, to determine the success of leadership. In other words, it cannot be said with utmost clarity that a leader depicting a certain kind of leadership traits and behaviours are always successful. At times, the situational contexts play a strong role in determining the effectiveness of leaders.

3. Contingency/Situational Theories

Sometimes the success of a leader does not depend upon the qualities, traits and behaviour of a leader alone. The context in which a leader exhibits her/his skills, traits and behaviour matters, because same style of functioning may not be suitable for different situations. Thus the effectiveness of leadership also depends upon situations. Several research studies, when analyzing the reason for inconsistent results in differing conditions with the same leadership style, laid their focus on situational variables. This theory views leadership in terms of a dynamic interaction between a number of situational variables like the leader, the followers, the task situation, the environment, etc. Some of the noteworthy studies on situational contexts that gained wide recognition include Fiedler's model, Hersey and Blanchard's Situational theory, Leader-Member Exchange theory, Path-Goal theory and Leader-Participation model, which has been discussed over here.

(i) Fiedler Model

Fred Fiedler was the first person to develop a comprehensive model for the contingency theory of leadership in 1967. The basic premise behind this theory is that, effective performance of an organization or a group of people in an organization highly depend upon the style adopted by a leader and the degree to which a situation gives control to the leader.

In order to assess the style followed by a leader, Fiedler developed 'Least-Preferred Coworker' (LPC) scale, in which the leaders were asked to give their preference on the employee with whom they have least preference to work with. If the least preferred co-worker was described in favorable terms, such response was rated as 'relationship-oriented' and if rated in unfavorable terms, a leader was regarded as 'production-oriented'. However, in contrast, the response derived from such study did not show a clear cut picture, as some of the responses had a score in the mid range. Through such responses, it was difficult to classify a leader either as a relationship-oriented or a production oriented leader, as the scoring was neither high nor low. Fiedler's model thus illuminated attention on a new dimension of leadership studies. Thus through this study, it was suggested that, if a situation requires a task-oriented leader and the person in that leadership position is relationship-oriented, either the situation has to be modified or the leader replaced, if optimal effectiveness is to be achieved (Robbins, Judge, & Sanghi, 2007).

Based on the results derived, Fiedler has identified three situational factors, viz. leader-member relations, task structure and position power, which determine leadership effectiveness. A brief discussion on such situational factors is as follows:

- (i) Leader-Member Relations: The degree of confidence, trust and respect that members have on their leader;
- (ii) Task Structure: The degree to which the job assignments are structured or unstructured;
- (iii) Position Power: The degree of influence a leader has over power variables such as hiring, firing, discipline, promotions, and salary increases.

Fiedler's model evaluates the effectiveness of leadership, based on the degree of existence of the above mentioned situational factors. The degree varies from good to poor in leader-member relations, high to low in task structure and strong to weak in position power. According to Fiedler, a leadership is said to have more control of organizational situations, if the leader-member relations are good, task assignments are highly structured along with a stronger power positions. Similarly, the situations in an organization would be unfavorable, if the respect that members have for leaders is poor, with unstructured task assignments and weak position power.

As depicted in the figure 3.3, based on the situational factors, Fiedler model identifies 8 different kinds of situations or categories in which a leader can identify her/his position.

Figure 3.3

Fiedler’s Model of Leadership

	Very favourable		Intermediate				Very unfavourable	
Leader-Member Relations	Good	Good	Good	Good	Poor	Poor	Poor	Poor
Task Structure	High		Low		High		Low	
Leader Position Power	Strong	Weak	Strong	Weak	Strong	Weak	Strong	Weak
Situations	I	II	III	IV	V	VI	VII	VIII

Fiedler states that a task oriented leader performs better in situations that are very favourable to her/him and in situations that are very unfavourable. That is, when faced with a Category I, II, III, VII or VIII situation, task-oriented leaders perform better. Relationship-oriented leaders perform better in moderately favourable situations – categories IV through VII. In recent years, Fiedler has condensed these 8 situations down to 3. He states that task-oriented leaders perform better in situations of high and low control, while relationship-oriented leaders perform best in moderate control situations.

However, one of the major drawbacks in Fiedler model is that the style adopted by a particular leader is fixed. It is assumed that a leader can follow only a particular style in any given situation and the theory suggests change of a leader to fit a situation. For instance, the assumption is that, if a situation in an organization is highly unfavourable, and the organization is led by a relationship oriented leader, the organization’s performance could be improved by replacing the leader with one who is task-oriented. The other alternative suggested is to change the situation to suit the leader. That is by restructuring tasks or increasing or decreasing the power positions, the leader is expected to bring the situation under control.

Though Fiedler’s model offers useful propositions, the practical application of the theory is highly questionable. In practice, it is generally difficult to assess how good the leader-member relations are, how structured the task is, and how much position-power a leader has (Robbins, Judge, & Sanghi, 2007).

Cognitive Resource Theory

In the early 1990s, the original model of Fiedler was reconceptualised by Fiedler and his associate Joe Garcia, as *Cognitive Resource Theory*. In this model, the focus has been laid on the role of stress as a form of situational unfavourableness and how a leader’s intelligence

and experience influence her/his reaction to stress. The assumption behind this theory is that stress is the enemy of rationality and a leader cannot think in a logical and analytical manner, if she/he is under high level of stress. According to this proposition, the importance of a leader's intelligence and experience to effectiveness differs under low and high stress situations. Fiedler and Gracia state that a leader's intellectual ability correlates positively with performance under low stress but negatively under high stress. And conversely, a leader's experience correlates negatively with performance under low stress but positively under high stress. Thus, according to Fiedler and Gracia, the level of stress in a situation, determines whether an individual's intelligence or experience will contribute to leadership performance.

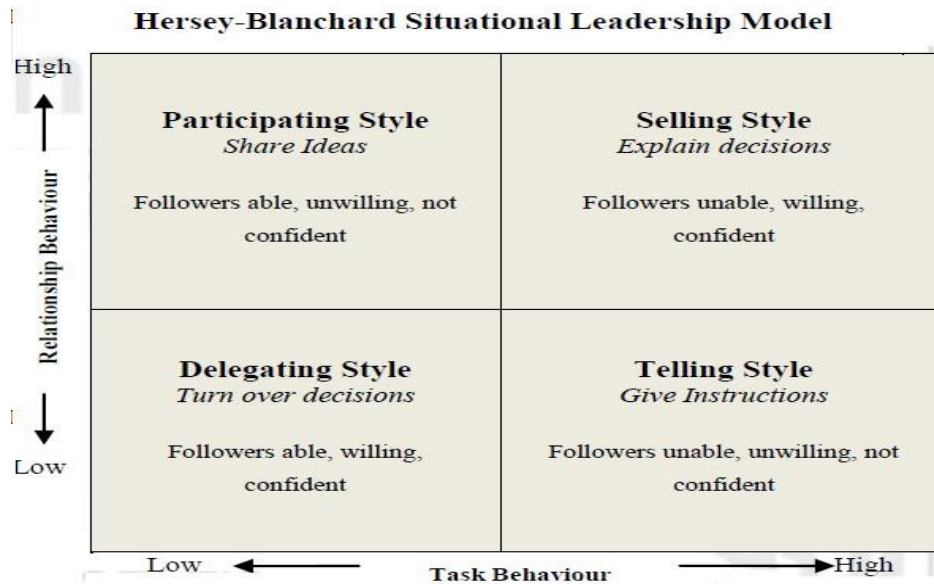
(ii) Hersey and Blanchard's Situational Theory

One of the path-breaking models that were developed in the leadership studies is that of the Situational Leadership Theory (SLT), that was put forward by Paul Hersey and Ken Blanchard. The focus of this theory is laid on the followers and the readiness that followers show in accepting a leadership. The basic assumption behind this theory is that, it is the followers who accept or reject a leader and thus, effectiveness of a leader also depends on their followers. Thus, regardless of what a leader does, effectiveness of leadership depends upon the actions of the followers. By readiness, Hersey and Blanchard mean to say the extent to which people have the ability and willingness to accomplish a specific task set by the leader. In analysing the leader-follower relationship, the Situational Leadership Theory, equates the relationship with that of a parent and a child.

According to Hersey and Blanchard there are four types of leadership behaviour that varies from highly directive to highly laissez-faire, which again depends upon the ability and willingness of followers to perform a given task. According to SLT, if a follower is unable and unwilling to do a task, the leader needs to give clear and specific directions; if followers are unable and willing, the leader needs to display high task orientation to compensate for the followers' lack of ability and high relationship orientation to get the followers to „buy into“ the leader's desire; if followers are able and unwilling, the leader needs to use a supportive and participative style; and if the employee is both able and willing, the leader doesn't need to do much.

Figure 3.4

Hersey-Blanchard Situational Leadership Model



This theory, thus gives a new dimension to the study of leadership, and the aspects that appeals in this theory is the importance given to the followers and the capacity of the leader to compensate for the ability and motivational limitations in their followers. However, in spite of the wide recognition and popularity that this theory has gained, it is said to have internal ambiguities and inconsistencies.

(iii) Path-Goal Theory

Path-Goal Theory was developed by Martin Evans and Robert House in 1970-71, taking inputs from the concept of initiating structure and consideration of the Ohio State Studies and the Expectancy Theory of Motivation. The base behind Path-Goal theory is that effective leaders clarify the path to help their followers to move forward from their current position towards achieving the work goals. In this process, the leader reduces the roadblock that occurs in the path of the followers, and makes their journey easier. Thus, the essence of path goal theory is that, it is the leader's job to provide the followers with the information, support and other resources, necessary for them to achieve their goals (Robbins, Judge, & Sanghi, 2007).

This theory identifies four types of leadership behaviour, viz. directive leader, supportive leader, participative leader and achievement-oriented leader. Unlike Fiedler, who assumes the leader to follow a fixed leadership style, the theory put forward by House, assumes the leader to be a flexible person, who can display different kinds of behaviours

based on a given situation. The four types of leadership behaviour, identified by Robert House are as follows:

(i) Directive Leader: A directive leader clarifies the followers of the role expected of them, schedules the work to be done and gives the needed direction or guidance as to how to accomplish tasks;

(ii) Supportive Leader: A supportive leader behaves in an friendly manner with the followers, and the main concern of the leader is placed on the needs of the followers, rather than on accomplishing the tasks;

(iii) Participative Leader: A participative leader involves the followers in the consultation process and also gets the suggestions or views of the followers, before making a decision;

(iv) Achievement-Oriented Leader: An achievement oriented leader set challenging goals for the followers and expects them to perform at their highest level.

The above mentioned leadership styles under the path-goal theory is contingent upon two factors such as, characteristics of employees and environmental factors. While environmental factors include aspects such as task structure, formal authority system, work group, etc. employee characteristics include aspects like locus of control, experience, perceived ability, etc.

Check Your Progress

Choose the Correct Answer:

1. A group is defined as

- a) Two or more individuals interacting with each other
- b) A single employee
- c) A department only
- d) A formal organization

Answer: a) Two or more individuals interacting with each other

2. The five-stage model of group development was proposed by

- a) Bruce Tuckman
- b) Maslow
- c) Herzberg
- d) McGregor

Answer: a) Bruce Tuckman

3. Which of the following is the correct stage of group development?

- a) Forming
- b) Storming
- c) Norming
- d) All of the above

Answer: d) All of the above

4. Group norms refer to

- a) Formal rules only
- b) Accepted standards of behavior within a group
- c) Salary structure

d) Organizational policies

Answer: b) Accepted standards of behavior within a group

5. Group cohesiveness means

a) Conflict among members

b) Degree of attraction among group members

c) Weak relationships

d) Individual decision making

Answer: b) Degree of attraction among group members

6. Groupthink refers to

a) Independent thinking

b) Pressure to conform in decision making

c) Individual creativity

d) Personal conflict

Answer: b) Pressure to conform in decision making

7. Which of the following is a type of team?

a) Problem-solving team

b) Self-managed team

c) Cross-functional team

d) All of the above

Answer: d) All of the above

8. Leadership is defined as

a) The ability to influence a group to achieve goals

b) The power to punish employees

c) The authority to hire employees

d) The control of finances

Answer: a) The ability to influence a group to achieve goals

9. The Ohio State studies focused on

a) Leadership behavior

b) Personality traits

c) Employee salary

d) Production methods

Answer: a) Leadership behavior

10. The contingency leadership theory was developed by

a) Fiedler

b) Maslow

c) Herzberg

d) Taylor

Answer: a) Fiedler

Small Questions – LOCF Mapping Table

S.No	Small Question	CO	Bloom's Level	PO
1	What is a group in Organizational Behavior?	CO1	Remember	PO1
2	List the stages in the Five Stage Model of group development.	CO1	Remember	PO1
3	What are group norms?	CO2	Understand	PO2
4	What is group cohesiveness?	CO2	Understand	PO2
5	What is leadership?	CO3	Remember	PO3

Big Questions – LOCF Mapping Table

S.No	Big Question	CO	Bloom's Level	PO
1	Explain the concept of groups and the five stage model of group development.	CO1	Understand	PO1
2	Discuss group norms, cohesiveness, groupthink and group shift.	CO2	Analyze	PO2
3	Explain the concept of teams and the different types of teams in organizations.	CO2	Understand	PO3
4	Describe the trait and behavioral theories of leadership.	CO3	Analyze	PO4
5	Explain the contingency theories of leadership (Fiedler, Hersey and Blanchard, Path–Goal).	CO3	Evaluate	PO5

UNIT – IV

Organizational Culture and Structure

Structure:

4.1 Introduction to Organizational Culture and Structure

4.2 Creating and Sustaining Culture

4.1 Introduction to Organizational Culture and Structure

Every human being has certain personality traits which help them stand apart from the crowd. No two individuals behave in a similar way. In the same way organizations have certain values, policies, rules and guidelines which help them create an image of their own.

Organization culture refers to the beliefs and principles of a particular organization. The culture followed by the organization has a deep impact on the employees and their relationship amongst themselves.

Every organization has a unique culture making it different from the other and giving it a sense of direction. It is essential for the employees to understand the culture of their workplace to adjust well.

Definition

According to **Gareth Morgan**, organizational culture is defined as the set of beliefs, values, and norms, together with symbols like dramatized events and personalities that represent the unique character of an organization, and provide the context for action in it and by it.

In the words of **Edgar Schein**, organizational culture is a pattern of shared basic assumptions that the group learned as it solved its problems that have worked well enough to be considered valid and is passed on to new members as the correct way to perceive, think, and feel in relation to those problems.

The culture of an organization refers to the unique configuration of norms, values, beliefs and ways of behaving that characterize the manner in which groups and individuals combine to get things done. **Eldridge and Crombie (1974)**

Culture is a system of informal rules that spells out how people are to behave most of the time. **Deal and Kennedy (1982)**

A pattern of basic assumptions – invented, discovered or developed by a given group as it learns to cope with the problems of external adaptation and internal integration – that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think and feel in relation to these problems. **Schein (1985)**

Culture is the commonly held beliefs, attitudes and values that exist in an organization. Put more simply, culture is 'the way we do things around here'. **Furnham and Gunter (1993)**

Organizational culture and its characteristics

Organisational culture is the set of important understandings, such as norms, values, attitudes, and beliefs, shared by organisational members. The essential core of organisational culture is system of shared meaning among members. Organisational climate has strong impact on the performance of the organisation. It has basic elements of culture and they are artifacts, espoused values and basic assumptions. It is expressed in terms of norms, values, attitudes and beliefs shared by organisational members. Organisational culture has its key functions and they include sense of identity, enhancement of commitment and reinforcement of behaviour.

The primary characteristics of an organizational culture are as follows:

- 1. Innovation and Risk Taking:** It can be described as the degree or extent to which employees are encouraged to take innovative steps and calculated risk.
- 2. Attention to Detail:** It can be described as degree or extent to which employees are expected to pay attention to details.
- 3. Outcome Orientation:** It can be described as the degree or extent to which management focuses outcome rather than on process to achieve outcome.
- 4. People Orientation:** It can be described as the degree or extent to which management gives attention to effect of decisions on people working in the organisation and on its shareholders.
- 5. Team Orientation:** It can be described as the degree or extent to which works are organised around team rather than individuals.
- 6. Aggressiveness:** It can be described as the degree or extent to which people are aggressive or competitive rather than unconcerned or relaxed.
- 7. Stability:** It can be described as the degree or extent to which maintaining status quo is emphasized in contrast to growth.
- 8. Individual Autonomy:** It can be described as the degree or extent of responsibility, independence, and opportunities for exercising initiative that individuals in an organisation have.
- 9. Structure:** It can be described as the degree or extent of rules and regulations and the amount of direct supervision that is used to supervise and control behaviour.

- 10. Support:** It can be described as the degree or extent of assistance and warmth managers provide for their subordinates.
- 11. Identity:** It can be described as the degree or extent to which members identify with the organisation as a whole rather than with their particular work group or field of professional expertise.
- 12. Performance-Reward:** It can be described as the degree or extent to which reward in the organisation are based on employee work performance.
- 13. Conflict Tolerance:** It can be described as the degree or extent of conflict present in relationships between peers and work groups as well as the motivation to be honest and open about differences.
- 14. Attitude towards Change:** It can be described as the response given to new methods, ways, and values.
- 15. Focus:** It can be described as the vision of the goals and objectives of an organisation's operations as communicated by those in control.
- 16. Standard and Values:** The levels of performance and behaviour considered to be acceptable by both types of criteria – formal and informal.
- 17. Rituals:** It can be described as the expressive events that support and reinforce organisational standards and values.
- 18. Openness, Communication, and Supervision:** It can be described as the amount and type of interchange permitted. The communication flow can be downward, upward, across the organisation, and in other directions as spelled out by the culture.
- 19. Market and Customer Orientation:** It can be described as the degree or extent to which the organisation is responsive to its markets and customers.
- 20. Excitement, Pride, and esprit de corps:** It can be described as a perceptibly good feeling about the organisation and its activities.
- 21. Commitment:** It can be described as the degree or extent to which individuals are willingly working towards goals on a long-lasting basis.

Types of Organization Culture

The practices, principles, policies and values of an organization form its culture. The culture of an organization decides the way employees behave amongst themselves as well as the people outside the organization.

Let us understand the various types of organization culture:

- 1. Normative Culture:** In such a culture, the norms and procedures of the organization are predefined and the rules and regulations are set as per the existing guidelines. The

employees behave in an ideal way and strictly adhere to the policies of the organization. No employee dares to break the rules and sticks to the already laid policies.

2. **Pragmatic Culture:** In a pragmatic culture, more emphasis is placed on the clients and the external parties. Customer satisfaction is the main motive of the employees in a pragmatic culture. Such organizations treat their clients as Gods and do not follow any set rules. Every employee strives hard to satisfy his clients to expect maximum business from their side.
3. **Academy Culture:** Organizations following academy culture hire skilled individuals. The roles and responsibilities are delegated according to the back ground, educational qualification and work experience of the employees. Organizations following academy culture are very particular about training the existing employees. They ensure that various training programmes are being conducted at the workplace to hone the skills of the employees. The management makes sincere efforts to upgrade the knowledge of the employees to improve their professional competence. The employees in an academy culture stick to the organization for a longer duration and also grow within it. Educational institutions, universities, hospitals practice such a culture.
4. **Baseball team Culture:** A baseball team culture considers the employees as the most treasured possession of the organization. The employees are the true assets of the organization who have a major role in its successful functioning. In such a culture, the individuals always have an upper edge and they do not bother much about their organization. Advertising agencies, event management companies, financial institutions follow such a culture.
5. **Club Culture:** Organizations following a club culture are very particular about the employees they recruit. The individuals are hired as per their specialization, educational qualification and interests. Each one does what he is best at. The high potential employees are promoted suitably and appraisals are a regular feature of such a culture.
6. **Fortress Culture:** There are certain organizations where the employees are not very sure about their career and longevity. Such organizations follow fortress culture. The employees are terminated if the organization is not performing well. Individuals suffer the most when the organization is at a loss. Stock broking industries follow such a culture.

7. **Tough Guy Culture:** In a tough guy culture, feedbacks are essential. The performance of the employees is reviewed from time to time and their work is thoroughly monitored. Team managers are appointed to discuss queries with the team members and guide them whenever required. The employees are under constant watch in such a culture.
8. **Bet your company Culture:** Organizations which follow bet your company culture take decisions which involve a huge amount of risk and the consequences are also unforeseen. The principles and policies of such an organization are formulated to address sensitive issues and it takes time to get the results.
9. **Process Culture:** As the name suggests the employees in such a culture adhere to the processes and procedures of the organization. Feedbacks and performance reviews do not matter much in such organizations. The employees abide by the rules and regulations and work according to the ideologies of the workplace. All government organizations follow such a culture.

Importance of Organization Culture

A common platform where individuals work in unison to earn profits as well as a livelihood for themselves is called an organization. A place where individuals realize the dream of making it big is called an organization. Every organization has its unique style of working which often contributes to its culture. The beliefs, ideologies, principles and values of an organization form its culture. The culture of the workplace controls the way employees behave amongst themselves as well as with people outside the organization.

- ✓ **The culture decides the way employees interact at their workplace.** A healthy culture encourages the employees to stay motivated and loyal towards the management.
- ✓ **The culture of the workplace also goes a long way in promoting healthy competition at the workplace.** Employees try their level best to perform better than their fellow workers and earn recognition and appreciation of the superiors. It is the culture of the workplace which actually motivates the employees to perform.
- ✓ Every organization must have set guidelines for the employees to work accordingly. **The culture of an organization represents certain predefined policies which guide the employees and give them a sense of direction at the workplace.** Every individual is clear about his roles and responsibilities in the organization and know how to accomplish the tasks ahead of the deadlines.

- ✓ No two organizations can have the same work culture. It is the culture of an organization which makes it distinct from others. **The work culture goes a long way in creating the brand image of the organization.** The work culture gives an identity to the organization.
 - In other words, an organization is known by its culture.
- ✓ **The organization culture brings all the employees on a common platform.** The employees must be treated equally and no one should feel neglected or left out at the workplace. It is essential for the employees to adjust well in the organization culture for them to deliver their level best.
- ✓ **The work culture unites the employees who are otherwise from different backgrounds,** families and have varied attitudes and mentalities. The culture gives the employees a sense of unity at the workplace.
 - Certain organizations follow a culture where all the employees irrespective of their designations have to step into the office on time. Such a culture encourages the employees to be punctual which eventually benefits them in the long run. It is the culture of the organization which makes the individuals a successful professional.
- ✓ Every employee is clear with his roles and responsibilities and strives hard to accomplish the tasks within the desired time frame as per the set guidelines. Implementation of policies is never a problem in organizations where people follow a set culture. The new employees also try their level best to understand the work culture and make the organization a better place to work.
- ✓ **The work culture promotes healthy relationship amongst the employees.** No one treats work as a burden and moulds himself according to the culture.
- ✓ **It is the culture of the organization which extracts the best out of each team member.** In a culture where management is very particular about the reporting system, the employees however busy they are would send their reports by end of the day. No one has to force anyone to work. The culture develops a habit in the individuals which makes them successful at the workplace.

Factors Affecting Organization Culture

Culture represents the beliefs, ideologies, policies, practices of an organization. It gives the employees a sense of direction and also controls the way they behave with each

other. The work culture brings all the employees on a common platform and unites them at the workplace.

There are several factors which affect the organization culture:

- ✓ The first and the foremost factor affecting culture is the **individual working with the organization**. The employees in their own way contribute to the culture of the workplace. The attitudes, mentalities, interests, perception and even the thought process of the employees affect the organization culture.
 - Example - Organizations which hire individuals from army or defence background tend to follow a strict culture where all the employees abide by the set guidelines and policies. The employees are hardly late to work. It is the mindset of the employees which forms the culture of the place. Organizations with majority of youngsters encourage healthy competition at the workplace and employees are always on the toes to perform better than the fellow workers.
- ✓ **The sex of the employee** also affects the organization culture. Organizations where male employees dominate the female counterparts follow a culture where late sitting is a normal feature. The male employees are more aggressive than the females who instead would be caring and softhearted.
- ✓ **The nature of the business** also affects the culture of the organization. Stock broking industries, financial services, banking industry are all dependent on external factors like demand and supply, market cap, earning per share and so on. When the market crashes, these industries have no other option than to terminate the employees and eventually affect the culture of the place.
 - Market fluctuations lead to unrest, tensions and severely demotivate the individuals. The management also feels helpless when circumstances can be controlled by none. Individuals are unsure about their career as well as growth in such organizations.
- ✓ **The culture of the organization is also affected by its goals and objectives**. The strategies and procedures designed to achieve the targets of the organization also contribute to its culture.
 - Individuals working with government organizations adhere to the set guidelines but do not follow a procedure of feedback thus forming its culture.

Fast paced industries like advertising, event management companies expect the employees to be attentive, aggressive and hyper active.

- ✓ **The clients and the external parties** to some extent also affect the work culture of the place. Organizations catering to UK and US Clients have no other option but to work in shifts to match their timings, thus forming the culture.
- ✓ **The management and its style of handling the employees** also affect the culture of the workplace. There are certain organizations where the management allows the employees to take their own decisions and let them participate in strategy making. In such a culture, employees get attached to their management and look forward to a long term association with the organization.

The management must respect the employees to avoid a culture where the employees just work for money and nothing else. They treat the organization as a mere source of earning money and look for a change in a short span of time.

The Functions of Organizational Culture

Organizational culture is immortal pillars for the development of the organization, cultural development also has the potential force of cohesion, it brought not only a spirit to employees, but also inspire them a sense of pride and responsibility, cultivating the team work spirit of the organization, thus, to improve the overall effectiveness of the enterprise.

1. The guiding function

Organizational culture can play a guiding role of value orientation and behavior orientation in enterprises and each member of them. This orientation is different from a traditional management which simply focus on the rigid discipline or system, it emphasizes to guide the behavior of members of the enterprise from the shaping organizational culture, to make people accept the common values in a cultural imperceptibly.

2. The incentive function

Positive ideas and code of conduct can form a strong sense of mission and a sustained driving force. Positive organizational culture is a ruler of self-motivation to the employees, the ruler that they can contrast their own behavior, identify gaps, can generate the driving force for improving. In the same time, enterprises with shared values, beliefs and codes of conduct which can be a powerful spiritual pillar, can make a person generate a sense of identity, a sense of belonging and a sense of security, until play the role of mutual encouragement.

3. The cohesion function

The collective strength depends on the cohesion of the organization, the coordination of the organization's internal condition and ability to control. The cohesion of the organization, coordination and control can be generated by "rigid connections" like the system of discipline, but not as good as more effective by "internal binder" like shared values, beliefs, and codes of conduct.

4. The constraint function

Excellent organizational cultures have the binding effect on the thinking and behavior of each employee. After a long period of construction of organizational culture, formed written or convention rules and regulations, ethics and codes of conduct to regulate the behavior of employees, by this measure, it achieve the controlling of thinking and behave of workers.

4.2 Creating and Sustaining Culture

How Organizational Culture Begins

An organisation's current customs, traditions and general way of doing things are largely due to what it has done before and the degree of success it has had with those endeavours. The original source of an organisation's culture usually reflects the vision or mission of the organisation's founders. Because the founders had the original idea, they also may have biases on how to carry out the idea. Their focus might be on aggressiveness or it might be on treating employees as family. The small size of most new organisations helps the founders instil their vision in all organisational members. Organisational cultures can develop in a number of different ways. These steps are explained below:

1. A single person (founder) has an idea for a new enterprise

Some organisational cultures may be the direct, or at least, indirect, result of actions taken by the founders. The founders of an organisation traditionally have a major impact on that organisation's early culture. They have a vision of what the organisation should be.

2. Founders' creation of a core group

The founder brings in one or more other key people and creates a core group that shares a common vision with the founder. Founders only hire and keep employees who think and feel the way they do. These employees who form the core group believe that the idea is a good one, is worth the investment of time, money and energy. Sometimes founders create weak cultures, and if the organisation is to survive, a new top manager must be installed who will sow the seeds for the necessary strong culture.

3. Indoctrinate and Socialize

The founding core group begins to act in concert to create an organisation by raising funds, obtaining patents, incorporating, locating land, building infrastructure and so on. The core group indoctrinate and socialize employees to their way of thinking and feeling.

4. Build a Common History

The founders' own behaviour acts as a role model that encourages employees to identify with them and thereby internalize their beliefs, values, and assumptions. At this point, others are brought into the organisation, and a common history begins to be built. When the organisation succeeds, the founder's vision becomes seen as a primary determinant of that success. At this point, the founders' entire personalities become embedded in the culture of the organisation. Most of today's successful organisations follow the vision of their founders.

Sustaining a Culture

Once a culture is in place, there are practices within the organisation that act to maintain it by giving employees a set of similar experiences. Sustaining a culture depends on three forces. These forces are explained below:

1. Selection

The goal of the selection process is to identify and hire individuals who could make the organisation successful through their services. Therefore candidates who believe in the values of the organisation have to be selected. Thus, the selection process attempts to ensure a proper match in the hiring of people who have values essentially consistent with those of the organisation or at least a good portion of those values cherished by the organisation. In this way, the selection process sustains an organisation's culture by selecting those individuals who will fit into the organisation's core values.

2. Top Management

Top management have an important role to play in sustaining the organisation's culture. It is the top management who establish norms that filter down through the organisation. It is they through their conduct both implicit and explicit that shows what is desirable. They do this through pay raises, promotions and other rewards.

3. Socialization

Socialization is the process that adapts employees to the organisation's culture. Organisation wants to help new employees adapt to its culture. The adaptation is done through the process of "socialization". Socialization is made up of three stages:

(a) The Pre-arrival Stage: This stage encompasses all the learning that occurs before a new member joins the organisation. The socialization process covers both the work to be done and the organisation. The pre-arrival stage is the period of learning in the socialization process that occurs before a new employee joins the organisation. For example, when students join a business school to pursue their MBA degree, they are socialized to have attitudes and

behaviours that business firms want. This is so because their success depends on the degree to which the students have correctly anticipated the expectations and desires of those in the business school.

(b) Encounter Stage: In this stage of the socialization process, the new employee sees what the organisation is really like and confronts the possibility that expectations and reality may diverge. If expectations prove to have been more or less accurate, the encounter stage merely provides a reaffirmation of the perceptions gained during the pre-arrival stage. Those employees who fail to learn the essential or pivotal role behaviours risk being labelled as “rebels” and face the risk of expulsion. This further contributes to sustaining the culture.

(c) Metamorphosis Stage: Metamorphosis stage is that stage in the socialization process in which a new employee changes and adjusts to the job, work group and organisation. In this stage, relatively long-lasting changes take place. The employee masters the skills required for performing his or her job, successfully performs his or her new roles, and makes the adjustments to his or her work group’s values and norms. The metamorphosis stage completes the socialization process. The new employee internalizes the norms of the organisation and his work group and understands and accepts the norms of the organisation and his work group. The success of this stage will have a positive impact on the new employee’s productivity and his commitment to the organisation.

Issues in Organizational Culture

The following are some of the issues in organizational culture:

- ✓ Maintaining the organizational culture. This involves employee engagement at all times
- ✓ Reinforcing organizational culture through different actions so that the employees do not forget that the ideas of the organizational are not for a one time show or biased towards one group etc.
- ✓ Many times the employees might get the feeling that the organizational culture is to be maintained overall and that they are not important part of it. So, it is crucial that the managers ensure that every employee understands that he/she is important in the process.
- ✓ Employees rely on their instincts which might or might not be based on evidence or are actually opposing to the organization. It is important that the organizational culture is clearly understood and maintained.
- ✓ The organization culture might become outdated or regressive if they are not adaptive to the change in the environment.

- ✓ The different departments in the organization might become a hindrance to organizational culture if the employees create invisible walls between themselves.

Approach for Creating and Sustaining Organizational Culture

1. Focus on the Positive

The power of positivity can be especially helpful to those who need a little boost in employee morale. Negative talk (gossip, complaining and criticizing) can bring down even the best organization. It's toxic to organisational culture, and organisations bottom line, so don't let those Negative thoughts drag your organisation down.

2. Ensure Shared Values

Skills and competencies are important, but behaviours are often rooted in one's personal values. It is eye opening for staff to discover how their values impact them as a person, and what is important to their teammates. Managers should be sure to hire employees who model behaviours that fit organisations values.

3. Give and Receive Feedback

When giving feedback, organisation must try to be specific, focus on the observed behaviour, and describe the impact it had. It's important to address conflict and how to have comfortable conversations. Most people prefer giving positive feedback but dread the tough stuff.

4. Set Expectations

All employees should know what is expected of them and in a field where we are struggling to retain employees past the honeymoon phase, setting expectations right from the start is critically important. Explain the importance of the organizational culture and the mindset that comes with being person-centred and focused on continuous performance improvement.

5. Evaluate Processes and Procedures

If organisation is committing to continuously improving, and not falling behind the times, than it need to have systems in place to constantly evaluate and look for opportunities. It also need to make sure that its current processes or procedures aren't causing a bottleneck or hindering employees from doing the right thing.

6. Create Opportunities for Collaboration

We hear time and time again that teams are working in silos and that they aren't working together to meet the resident's needs. It's important to create opportunities for team members to collaborate with each other.

7. Be Consistent

Starting and stopping new things all the time will never lead to movement and it can cause employees to distrust management. Flavour of the month clubs aren't effective, and no one likes a boss who says one thing and does another. It is better to pick one thing and follow through on it then to try all ten, only to get overwhelmed and give up.

Changing organisational Culture

A common set up where individuals from different back grounds, educational qualifications, interests and perception come together and use their skills to earn revenue is called an organization. The successful functioning of an organization depends on the effort put by each employee. Each individual has to contribute his level best to accomplish the tasks within the desired time frame.

Every organization has a unique style of working which is often called its culture. The beliefs, policies, principles, ideologies of an organization form its culture.

The culture of the organization is nothing but the outcome of the interaction among the employees working for quite some time. The behaviour of the individual with his fellow workers as well as external parties forms the culture. The management style of dealing with the employees in its own way also contributes to the culture of the organization.

Employees working for a considerable amount of time in any particular organization tend to make certain rules and follow some policies as per their convenience and mutual understanding. Such policies and procedures practised by the employees for a long time to make the workplace a happier place form the culture. The culture often gives the employees a sense of direction at the workplace. Organization culture however can never be constant. It changes with time.

Reasons for changes in Organisational culture

1. A new management, a new team leader, a new boss brings a change in the organization culture. A new employee but obvious would have new ideas, concepts and try his level best to implement them. He would want the employees to work according to him. His style of working, behaviour and ideologies would definitely bring a change in the work culture.
2. Financial loss, bankruptcy, market fluctuations also lead to change in the work culture of the organization. When an organization runs into losses, it fails to give rewards and appraisals to the employees as it used to give earlier.
3. Acquiring new clients might cause a change in the work culture. The employees might have to bring about a change in their style of working to meet the expectations of the new clients.

4. The employees on their own might realize that they need to bring a change in their attitude, perception and style of working to achieve the targets at a much faster rate. Such self-realization also changes the work culture.

Adjusting to Changing Organization Culture

The work culture represents the ideologies, principles, policies and beliefs of the organization. The individual's style of working, his behaviour and ways of interaction also contribute to the culture of the organization.

There are several reasons which lead to a change in the organization culture. Change in management, poor financial conditions, revisions in goals and targets bring a change in the culture of the organization.

Accepting changes in the work culture is the toughest thing to do for an employee. Not all employees can happily adapt to organizational changes.

Employees need time to come up with a new culture. Miracles can't happen overnight and habits do not change all of a sudden. The employees must spend some time to understand and adjust to the new culture. One should work with an open mind and willingly accept things. Don't always crib as it leads to no solution. The employees must try their level best to accept the changes with a smile and work accordingly. One should never be in a rush. The management must also give time to the employees for them to gel with the new culture. Don't pressurize anyone to accept changes all of a sudden.

The employees must design new strategies, new plan of actions and policies to meet the new challenges. Try to find out the exact reasons for the change. The ideas which were successful earlier might now fall out of place. One should not be adamant. Sit with your team leader, discuss all possible options and try to implement something which would work best in the new culture and benefit you as well as your organization.

An employee must change his behaviour and thought process as per the culture. It is essential to be flexible. Being adaptable at the workplace always pays in the long run. Remember everything happens for the best. One should always try to look at the positive aspects of life rather than cribbing on things which are beyond anyone's control.

Check Your Progress

Choose the Correct Answer:

1. Organizational culture refers to

- a) Shared values, beliefs and norms in an organization
- b) Salary structure
- c) Organizational profit
- d) Production methods

Answer: a) Shared values, beliefs and norms in an organization

2. Organizational culture helps employees to

- a) Understand acceptable behavior in the organization
- b) Increase conflict
- c) Reduce teamwork
- d) Avoid responsibilities

Answer: a) Understand acceptable behavior in the organization

3. Which of the following is a function of organizational culture?

- a) Provides identity to employees
- b) Promotes commitment
- c) Guides employee behavior
- d) All of the above

Answer: d) All of the above

4. Organizational culture can create problems when

- a) It is flexible
- b) It becomes a liability during change
- c) Employees follow rules

d) Teamwork increases

Answer: b) It becomes a liability during change

5. Organizational structure refers to

a) The formal arrangement of jobs and responsibilities

b) Employee training

c) Organizational culture

d) Employee benefits

Answer: a) The formal arrangement of jobs and responsibilities

6. Which of the following is a common organizational design?

a) Functional structure

b) Divisional structure

c) Matrix structure

d) All of the above

Answer: d) All of the above

7. Creating organizational culture involves

a) Recruitment and selection

b) Socialization of employees

c) Training and development

d) All of the above

Answer: d) All of the above

8. A strong organizational culture leads to

a) Employee commitment

b) Employee confusion

c) Lack of communication

d) Reduced performance

Answer: a) Employee commitment

9. Organizational design mainly focuses on

a) Structure of authority and responsibility

b) Personal life of employees

c) Marketing activities

d) Financial planning

Answer: a) Structure of authority and responsibility

10. New organizational design options include

a) Team structure

b) Virtual organization

c) Boundaryless organization

d) All of the above

Answer: d) All of the above

Small Questions – LOCF Mapping Table

S.No	Small Question	CO	Bloom's Level	PO
1	What is organizational culture?	CO1	Remember	PO1
2	State any two functions of organizational culture.	CO1	Understand	PO2
3	What is meant by organizational structure?	CO2	Remember	PO2
4	What are prevalent organizational designs?	CO2	Understand	PO3
5	What do you mean by new organizational design options?	CO3	Understand	PO3

Big Questions – LOCF Mapping Table

S.No	Big Question	CO	Bloom's Level	PO
1	Explain the concept and characteristics of organizational culture.	CO1	Understand	PO1
2	Discuss the functions and liabilities of organizational culture.	CO1	Analyze	PO2
3	Explain the methods of creating and sustaining organizational culture.	CO2	Understand	PO3
4	Describe the concept and importance of organizational structure.	CO2	Analyze	PO4
5	Explain the prevalent organizational designs and new design options.	CO3	Evaluate	PO5

UNIT – V

Organisational Change, Conflict and Power

Structure:

5.1 Introduction to Organizational Change

5.2 Resistance to change

5.3 Organizational Development

5.4 Conflict

5.5 Functional and Dysfunctional Organizational conflicts

5.6 Introduction to Power and Politics

5.1 Introduction to Organizational Change

Organizational Change Management is the organized, systematic application of knowledge, tools, and resources of change that provide organizations with a key process to achieve their business strategy.

Change is considered an inevitable process. Change is a response to any dynamic external and internal force that change current realities.

When change occurs in any part of the organization it disturbs the old equilibrium and a modification or transformation is required to establish a new equilibrium. The type of new equilibrium depends on the extent of change and its effect on the organization.

Meaning of Organisational Change

Organization change is a term formed by the combination of two words Organisation and change. **Change** word means refers to any alteration and **Organization** word means when a group of people work together in an organized way for a shared objective or goal.

In simple words, an organizational change is defined as the change in attitude, behavior, and interest of employees, rules regulations, policies, and technological and environmental changes of an organization so that organization aligns with the forces affecting the organization.

Definition of Organizational Change

“Organisational change is an ongoing process of social construction that comprises spiral patterns of discursive change and restructuring of collective meanings.”- **Francis and Sinclair**

“Organisational change was expressed as an empirical observation of difference in form, quality, or state over time in an organizational entity. The entity may be a person’s job, a workgroup, an organizational strategy, a product, a program, or the overall organization”
– **Van de Ven and Poole**

Nature of Organizational Change

- ✓ Organization change is a continuous process.
- ✓ Change is any part or element of the organization that affects the whole organization. Some elements of the organization may be affected more, others less if any change takes place.
- ✓ The aim of organizational change is to modify or transform the organization which affects the status quo.
- ✓ Change is inevitable.
- ✓ Organization change affects individual behavior, group behavior, and management behavior.
- ✓ Change supports the organization's survival.

Importance of Organizational Change

- ✓ It encourages innovation and technological growth.
- ✓ If any changes occur in the organization then to cope with change employees learn new skills.
- ✓ It provides new growth opportunities to employees.
- ✓ It reduces future risk and uncertainty.
- ✓ Changes make organizations more effective and efficient.
- ✓ Continuous and valuable changes in organizational elements provide a competitive advantage.

Types of Organizational Change

There are five types of organizational change-

1. Organizational wide change
2. Transformational change
3. Unplanned change
4. Remedial change
5. Personnel change

1. Organization-Wide Change

Organization-wide change is considered a is a large-scale change or transformation that affects the overall structure of the company. In this change, the resizing of the organization, and restructuring of the organization is done.

2. Transformational Change

Transformational change is very important for organizations because organizations are constantly under the threat from many factors. A company must know all the changing

business environment factors around them like cultural trends, understanding the social climate, and technological advances.

Transformational change deals with the formulation and implementation of new strategies so that organizations can successfully address the rapid changes that take place in a business environment.

3. Personnel Change

Personnel change implies that the company undergoes mass hiring or layoffs or changes in the organization's human resource structure. These types of changes take place when organization there is any change in technology or the organization incurs losses. This type of change brings fresh talent to the organization and lay off the less productive employees.

These types of changes bring a crucial effect on the employee engagement and retention strategy of the organization and give new kinds of exposure to businesses to catch emerging opportunities.

4. Unplanned Change

Generally, an organization can undergo a number of unplanned changes. they occur randomly and spontaneously without having the time to react. These types of changes are introduced by an organization in response to a change in the demographic composition or performance gap of an organization.

Many times sudden changes in government regulation and global economic conditions also force companies to go for a sudden and unplanned change.

5. Remedial Change

The remedial changes are brought about when corrective action is required. The organization generally used remedial change when performance levels of the organization dropped or when suffering from financial crises.

These remedial changes are the reactionary or corrective actions taken by the organization's management. The main objective of the remedial change is to respond to the issue that creates hurdles in organizational functioning.

Factors Cause Organizational Change

Organizational change is caused by two types of forces.

Some of these are **external forces** that arise outside the organization and some are **internal forces** that arise from sources within the organization.

1. Internal Factors
2. External Factors

The various factors that lead to organizational change are as follows-

1. Internal Factors in Organizational Change

- ✓ Changes in managerial personnel
- ✓ Work condition
- ✓ Delegation of power and authority
- ✓ Employee motivation
- ✓ Workplace culture and environment
- ✓ Policies and procedures established by the organization
- ✓ Employee expectation

2. External Factors

- ✓ Globalization
- ✓ Technological change
- ✓ Economical change
- ✓ Social and political change
- ✓ Workforce diversity
- ✓ Demographic dividend

Process of Organizational Change

The process of organizational change has the following steps-

- ✓ Identifying the need for change
- ✓ Determining the organization elements to be changed
- ✓ Planning for effective change
- ✓ Assessing the change force
- ✓ Actions for change i.e Unfreezing, Changing and Refreezing

Kurt Lewin's Process of Organization Change

Kurt Lewin has a three-phase process:-

1. Unfreezing

It is the first phase of the process of unfreezing an individual should unlearn all the old things so that it becomes easy to learn new things.

2. Changing

In the second phase of the process, the organization implements the change.

3. Refreezing

This is the last phase of Kurt Lewin's organizational change process in this phase organization tries to stabilize the implemented change.

Forces or need for change

They are:

1. External forces
2. Internal forces

1. External forces are forces that are beyond the control of the organization. They are as follows:

- ✓ Economic,
- ✓ Political,
- ✓ Legal,
- ✓ Socio-cultural or customers,
- ✓ Competitors,
- ✓ Suppliers, and
- ✓ Labor unions, etc.

2. Internal forces are within the control of the management of the organization. They are as follows:

- ✓ Changes in organizational goals
- ✓ Philosophy,
- ✓ Policies,
- ✓ Strategy,
- ✓ Structure,
- ✓ Work technology, etc.

5.2 Resistance to change

Almost all organizational change efforts face one or more forms of resistance to change. The resistance may be overt as well as covert (exposed or hidden). It may further be:

- ✓ Individual sources (e.g. habit, economic, security factors, fear of unknown, selective information processing, etc.), and
- ✓ Organizational sources (e.g. structural inertia, limited focus of change, group inertia, threat to expertise, threat to established power relationship, and resource allocation, etc.)

Overcoming Resistance to change:

To make the change programs effective managers need to overcome resistance to change successfully. Therefore, few ways to overcome them are as follows:

- ✓ education and communication,
- ✓ participation or involvement

- ✓ facilitation and support,
- ✓ negotiation and manipulation and cooption, etc.

Kurt Lewin's Change Management Model: The Planned Approach to Organizational Change

Kurt Lewin's Three Stages model or the Planned Approach to Organizational is one of the cornerstone models which is relevant in the present scenario even.

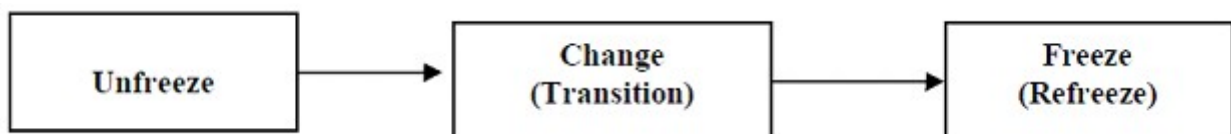
Lewin, a social scientist and a physicist, during early 1950s propounded a simple framework for understanding the process of organizational change known as the Three-Stage Theory which he referred as Unfreeze, Change (Transition) and Freeze (Refreeze).

According to Lewin, Change for any individual or an organization is a complicated journey which may not be very simple and mostly involves several stages of transitions or misunderstandings before attaining the stage of equilibrium or stability.

For explaining the process of organizational change, he used the analogy of how an ice block changes its shape to transform into a cone of ice through the process of unfreezing.

Figure 5.1

The Process of Organizational Change



Source: www.strategies-for-managing-change.com

Stage 1 – Unfreezing

This is the first stage of transition and one of the most critical stages in the entire process of change management. It involves improving the readiness as well as the willingness of people to change by fostering a realization for moving from the existing comfort zone to a transformed situation.

It involves making people aware of the need for change and improving their motivation for accepting the new ways of working for better results. During this stage, effective communication plays a vital role in getting the desired support and involvement of the people in the change process.

Stage 2 – Change

This stage can also be regarded as the stage of Transition or the stage of actual implementation of change. It involves the acceptance of the new ways of doing things. This is the stage in which the people are unfrozen, and the actual change is implemented.

During this stage, careful planning, effective communication and encouraging the involvement of individuals for endorsing the change is necessary. It is believed that this stage of transition is not that easy due to the uncertainties or people are fearful of the consequences of adopting a change process.

Stage 3 - Freeze (Refreezing)

During this stage, the people move from the stage of transition (change) to a much more stable state which we can regard as the state of equilibrium.

The stage of Refreezing is the ultimate stage in which people accept or internalize the new ways of working or change, accept it as a part of their life and establish new relationships.

For strengthening and reinforcing the new behaviour or changes in the way of working, the employees should be rewarded, recognized and provided positive reinforcements, supporting policies or structures can help in reinforcing the transformed ways of working.

The three stages of Change Management can be aptly explained through the aid of an example of Nissan Motor Company which was on the stage of bankruptcy due to the issues of high debts and dipping market share.

During that period, Carlos Ghosn took charge as the head of the Japanese automaker who was faced with the challenge of implementing a radical change and turning around the operations of Nissan, yet by keeping the resistance to change under control which was inevitable under such circumstances by forming cross-functional teams to recommend a robust plan of change in different functional areas.

For facing the business challenges, he developed a change management strategy and involved the employees in the process of change management through effective communication and reinforcement of desired behaviours.

For refreezing the behavioural change of the employees, he introduced performance-based pay, implemented an open system of feedback for guiding and facilitating the employees in accepting the new behaviour patterns at work.

According to **Branch (2002, p. 4)**, Lewin's change management model can be implemented in three ways:

1. Changing the behaviour, attitudes, skills of the individuals working in the organization.
2. Changing the existing organizational structures, systems and processes
3. Changing the organizational climate, culture and interpersonal style.

Lewin's model stressed on the interdependence of various units as well as subunits in an organization.

This model assumes that organizations function under static conditions and move from one state of stability to another state of stability in a planned way, but the present day organizations function in turbulent scenarios and uncertain business environments.

Furthermore, several critics criticized Lewin's planned approach to change management for the following reasons:

- ✓ It was criticized for being too simple and mechanistic, as a result of which it may not be applicable for the present organizational scenario.
- ✓ Lewin's Planned change model fails to take into consideration the radical or transformational change; it is only useful if incremental change is implemented in an organization
- ✓ This model ignores the role of Power & Politics and conflicts. Moreover, it ignores the importance of feelings and experiences of employees which play a crucial role in the entire change process. The model is very plan or goal driven.
- ✓ This model supports top-down approach to change management and ignores the importance of bottom-up approach in the change management process.

5.3 Organizational Development

Organisational (or organization) Development or simply O.D. is a technique of planned change. It seeks to change beliefs, attitudes, values and structures—in fact the entire culture of the organization—so that the organization may better adapt to technology and live with the pace of change.

O.D. is a comprehensive strategy for organization improvement. O.D. is a long range effort to improve an organization's problem solving and renewal processes, particularly through a more effective and collaborative management culture.

Characteristics of Organisational Development:

1. Organisational development is an educational strategy for bringing a planned change.
2. It is related to real problems of the organisation.
3. Laboratory training methods based on experienced behaviour are primarily used to bring change.
4. Organisational development uses change agent (or consultant) to guide and affect the change. The role of change agent is to guide groups towards more effective group processes rather than telling them what to do. Change agents simply assist the group in problem solving processes and the groups solve the problems themselves.

5. There is a close working relationship between change agents and the people who are being changed.
6. Organisational development seeks to build problem-solving capacity by improving group dynamics and problem confrontation.
7. Organisational development reaches into all aspects of the organization culture in order to make it more humanly responsive.
8. Organisational development is a long term approach (of 3 to 5 years period) and is meant to elevate the organization to a higher level of functioning by improving the performance and satisfaction of organization members.
9. Organisational development is broad-based and describes a variety of change programmes. It is concerned not only with changes in organizational design but also with changes in organizational philosophies, skills of individuals and groups.
10. Organisational development is a dynamic process. It recognises that the goals of the organization change and hence the methods of attaining them should also change.
11. Organisational development utilizes systems thinking. It is based on open, adaptive systems concept. The organization is treated as an interrelated whole and no part of the organization can be changed without affecting other parts.
12. Organisational development is research based. Change agents conduct surveys, collect data, evaluate and then decisions are taken.
13. Organisational development uses group processes rather than individual process. It makes efforts to improve group performance.
14. Organisational development is situational and contingency oriented.
15. Organization Development and Management Development are complementary rather than conflicting.

Organisational Development Values:

The following identifies the underlying values in OD efforts:

- ✓ Respect for people
- ✓ Trust and support
- ✓ Power equalization
- ✓ Confrontation
- ✓ Participation

Organisational Development objectives and goals:

They are as follows:

- ✓ Improvement in interpersonal competence

- ✓ A change in value systems so that human factors and feelings can be considered legitimate
- ✓ Development of enhanced inter-group and intra-group understanding to minimize tension
- ✓ Development of an organic system rather than a mechanic system, etc.

Pre-requirements of Organisational Development:

- ✓ Top management commitment
- ✓ Strong and influential managers
- ✓ Capable external consultants
- ✓ Successful Past experience
- ✓ Built-in reward system

The Process of Organizational Development

The organizational development process is a systematic, research-based series of steps. Common implementation steps include the following:

1. Identifying an area of improvement

Organizational change begins with identifying a need that aligns with business goals. Companies often know that need right away, but they may consider a data-driven approach to identify problems through formal surveys and feedback. This approach allows for a more thorough understanding of the area for improvement. Companies should ask themselves what they want to change, and why that change is necessary.

2. Investigating the problem

Once the area for improvement is identified, companies conduct an investigation to learn why the problem exists, what the barriers to improvement are, and what solutions have previously been attempted. This step can also include surveys or focus groups and individual consultations.

3. Creating an action plan

The company then creates a plan with allocated resources and clearly defined employee roles. This plan will include specific support for individuals involved and identify a measurable goal. During this step, companies should think about how they'll communicate changes to staff and manage feedback.

4. Creating motivation and a vision

Once the company has clearly defined and communicated a plan, its leaders must motivate their employees to share in a vision. This step involves leaders acting as enthusiastic

role models while helping employees understand the plan's big-picture goals and desired impact.

5. Implementing

While stability is necessary during implementation, supporting employees during the transition with mentoring, training, and coaching is equally important. When thinking about such support, management should consider what new skills employees will need and what delivery methods will be most effective. Ongoing feedback and communication can help make the change process easier.

6. Evaluating initial results

Once the company has implemented a plan, its leaders may create space for shared reflection, asking themselves and their employees if the change effectively met the business goals. They'll also evaluate the change management process and consider what could be done differently. This step can't be overlooked; if the company doesn't evaluate the changes, it won't know whether interventions have been effective.

7. Adapting or continuing

Depending on the evaluation of the initial results, the company may choose to adapt its plan. If the results show success, it may continue with the current plan to keep improving.

Phase in Organizational Development

- ✓ Initial diagnosis
- ✓ Data collection
- ✓ Data feedback and confrontation
- ✓ Action planning and problem-solving
- ✓ Team building
- ✓ Inter-group development
- ✓ Evaluation and follow-up.

What are OD Interventions?

In order to become adaptable, organizations should create, enhance, and consolidate strategies, structures, and procedures. This is accomplished through organizational development, a scientific method based on empirical research.

The varied outcomes of OD interventions can include financial performance, employee engagement, customer satisfaction, and general change management because OD interventions aim to increase organizational effectiveness.

However, it is important to emphasize that although OD and HRM (human resource management) are both people-centric strategies and are sometimes used similarly, they are different.

Meaning of OD Interventions

“OD interventions are actions and events that help a company perform better and work more efficiently.” –**Rober Zawacki**

“An OD intervention refers to a variety of planned activities that clients and consultants undertake throughout the program.”– **French & Bell**

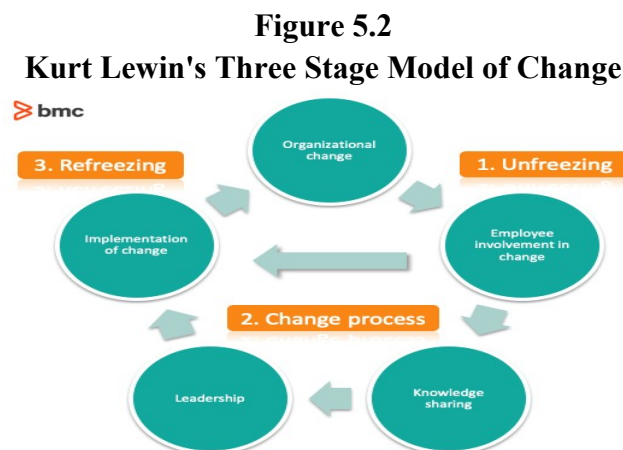
Organizational Development Models

Once an organization has identified an area of improvement and desired outcomes, the how comes next. Organizational development models help with change logistics by providing a clear framework. These models serve two purposes: to help lay out a plan of action and to clarify communication for employees.

Researchers and experts in the field of organizational change and development have created several different organizational development models.

Lewin’s Three-Step Model

Kurt Lewin’s change management model comprises three steps.



1. Unfreeze

In the first step, companies work to loosen current norms and procedures to prepare for change.

2. Change (or Transition)

In the second step, companies introduce a new strategy and implement it. During this step, management support and communication are critical to keep employees motivated and focused.

3. Freeze (or Refreeze)

The third step solidifies the “new normal” and encourages reflection on how to sustain the change.

Organizational Development Interventions

From different levels, there are interventions in OD. They are:

- ✓ Individual-level interventions
- ✓ Process or Group level interventions
- ✓ Systematic or Organizational level interventions

Individual-level interventions	Group-level Interventions	Organizational level Interventions
Counseling	Team building	Organizational restructuring
Sensitivity training	Process consultation	Task and tech changes
Survey feedback	Intergroup development	Goal setting (MBO)

5.4 Conflict

Conflict is any disagreement between two or more people and groups. Whenever two or more people have different interests, values, goals, and understanding conflict arises. It may be in a person, within people, within groups, or within organizations.

In other words, conflict refers to all kinds of opposition or antagonistic interaction between or among individuals and groups. It exists whenever one party perceives that another party has hampered or is about to hamper, the accomplishment of goals.

Conflicts indicate a scarcity of various things such as understanding, agreement, and compatibility among people in a sharing environment. It can arouse emotions and anxiety, lower satisfaction, and decrease performance.

In organizations, conflicts arise due to various reasons, the one reason is when employees do not get the salary they expected. Similarly, when one employee agrees with the given responsibilities and another is not.

Definitions

1. Conflict involves incompatible behavior; one person interfering, disrupting, or in some other way making another’s action less effective – **Dean Tjosvold.**
2. Conflict is disagreement among two or more individuals, groups, or organizations – **Griffins.**
3. Conflict consists of all kinds of opposition or antagonistic interaction. It is based on scarcity of power, resources, or social position and differing value structure – **Stephen P Robbins.**

So, conflict is a process by which a person or assembly senses frustration in the pursuance of some plans, goals, or objectives. It is closely related to change and interpersonal dealings.

Characteristics of Conflict

The characteristics of conflicts are mentioned below:

1. A Series of Events

Conflict rarely emerges as a singular event but rather as a series of interconnected incidents. It tends to evolve over time due to differing opinions, interests, or approaches, ultimately culminating in a noticeable clash between parties.

2. Misunderstanding

Often, conflicts stem from misunderstandings or misinterpretations of actions, words, or intentions. What one party perceives may differ from the intended message, leading to discord and tension.

3. The Inevitability of Conflict

It is an inherent aspect of human interactions, and its occurrence is virtually inevitable in organizations or workplaces. Diverse individuals with unique perspectives and priorities are bound to encounter conflicts due to their distinct needs and aspirations.

4. Source of Creativity

Paradoxically, conflict can spark creativity and innovation. When individuals or groups engage in conflicting ideas, the clash of viewpoints may lead to the emergence of fresh insights, alternative solutions, and novel approaches to problem-solving.

5. Opposite of Cooperation

Cooperation and conflict represent opposing forces. While cooperation emphasizes collaboration, harmony, and shared goals, conflict highlights the divergent interests, disagreements, and tension between the parties involved.

6. Dynamic Process

Conflict is not static; it is a dynamic process that evolves and changes over time. It may intensify or deescalate, depending on the actions and responses of the involved parties. Effective conflict management requires recognizing its fluid nature and adapting strategies accordingly.

7. Catalyst for Growth

Conflict, when managed constructively, can serve as a catalyst for personal and organizational growth. It challenges individuals to reflect on their own perspectives, biases, and communication styles, fostering self-awareness and personal development.

8. A Test for Relationships

The presence of conflict tests the strength of relationships within an organization or workplace. It reveals the level of trust, respect, and communication existing between parties. By addressing conflict in a healthy manner, relationships can be strengthened and trust can be rebuilt.

9. A Part of Everyday Life

Conflict permeates various aspects of our lives, including our professional endeavors. Whether it arises from differences in opinions, work styles, or priorities, conflict is an integral part of navigating relationships and achieving collective goals in organizations and workplaces.

Types of Conflict

1. Intra-Personal Conflict (Within an Individual)

Intra-personal conflict arises inside an individual. It arises due to divergent goals and multiple roles, which the individual is expected to play.

Goal conflicts occur when an individual faces the problem of choosing among competing goals. Role conflicts arise when the expectations of a role are materially different or opposite and the individual can meet one expectation only at the cost of other expectations.

It also occurs due to role ambiguity. Role ambiguity occurs when an individual is not clear regarding his duties and responsibilities.

2. Interpersonal Conflict (Between Individuals)

It occurs in a condition when two or more persons interact with one another. Such interaction may take place between peers or seniors and subordinates.

The conflict between them may arise due to the difference in the choices made by them. It is a result of an individual's inability to confirm the norms of the group. The main causes of it are personality differences, perceptions, clash of values and interests, power and status differences, scarcity of resources, etc.

3. Inter-Group Conflict

It occurs between two or more groups in the organization. Many intergroup conflicts arise for organizational causes rather than interpersonal causes.

The conflict between line and staff, between production and sales department, and between management and unions, are examples of group conflicts. The major reasons for intergroup conflicts are competition for scarce resources, joint decision-making, task interdependence, introduction to change, and incompatible goals.

4. Inter-Organizational Conflict

Inter-organizational conflict is called when it arises between two organizations. It is a result of business competition. Both conflicting parties generally engage in providing similar types of services or products. Both parties become barriers to each other's success.

Causes of Conflicts

There may be various causes/reasons for conflicts in the organization. The manager has to take the necessary steps to resolve these conflicts. The most causes of conflicts in the organization are pointed out below:

- ✓ Misunderstanding
- ✓ Personal Differences
- ✓ Information Deficiency
- ✓ Goal Differences
- ✓ Lack of Role Clarification
- ✓ Threat To Status
- ✓ Lack of Trust
- ✓ Scarce Resources
- ✓ Poor Communication
- ✓ Organizational Changes

Managing Conflicts

The manager should take careful steps to resolve these organizational conflicts, if not the organizational goals cannot be achieved in time and with the expected resources.

As a manager, you should go for conflict stimulation, prevention, and resolution techniques which are considered the most effective conflict management techniques in the workplace.

1. Conflict Stimulation Techniques

Conflict stimulation refers to intentional actions or techniques employed to incite or escalate conflicts within organizations or workplaces. While conflict is generally viewed as disruptive and undesirable, there are instances where controlled conflict can be beneficial for promoting creativity, innovation, and improved decision-making processes.

The following are four techniques commonly used to stimulate conflicts:

1. **Reorganizing:** Restructuring organizational units or departments to introduce changes that create friction and conflicting interests, disrupting established dynamics.
2. **Communication:** Encouraging open and transparent communication channels to foster diverse opinions and perspectives, leading to clashes and disagreements.

3. **Encouraging Competition:** Introducing performance-based incentives or rewards that fuel conflict as individuals or teams strives to outperform one another.
4. **Bringing in Outsiders:** Engaging external consultants or experts with fresh perspectives that challenge existing norms, leading to conflicts as individuals defend their positions or resist change.

2. Conflict Prevention Techniques

Conflict prevention techniques in the workplace refer to proactive measures and strategies employed to minimize the occurrence or intensity of conflicts. Rather than allowing conflicts to escalate and disrupt the functioning of the organization, these techniques aim to identify potential sources of conflict and address them before they become major issues.

The following are four common conflict prevention techniques:

1. **Superordinate Goals:** Emphasize shared objectives to encourage collaboration and reduce conflicts arising from competing goals.
2. **Reduce Interdependence:** Restructure workflows or responsibilities to minimize reliance on conflicting parties, reducing potential clashes.
3. **Exchange of Personnel:** Rotate or exchange individuals between conflicting groups to promote understanding and collaboration.
4. **Liaison Group:** Establish a forum for ongoing communication and conflict resolution among representatives from conflicting parties.

3. Conflict Resolution Techniques

Conflict resolution refers to the process of addressing and resolving conflicts in a constructive and satisfactory manner. It involves finding mutually agreeable solutions that meet the needs and interests of all parties involved.

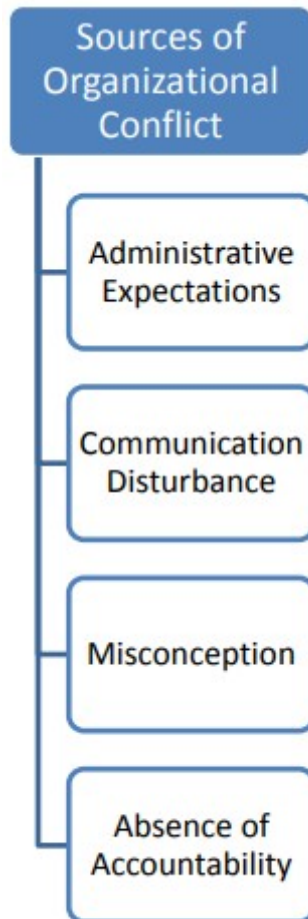
Here are four common conflict resolution techniques:

1. **Problem-Solving:** This technique focuses on identifying the underlying issues causing the conflict and working collaboratively to find a solution that satisfies everyone's interests. It promotes open communication, active listening, and the exploration of creative alternatives.
2. **Accommodation:** In this technique, one party willingly yields to the other's needs or preferences to resolve the conflict. It emphasizes maintaining relationships and prioritizing harmony over individual desires.
3. **Compromising:** This technique involves finding a middle ground where each party gives up something to reach a mutually acceptable outcome. It requires negotiation and a willingness to make concessions to reach a fair resolution.

4. **Avoidance:** Sometimes, conflicts can be temporarily set aside or avoided when the timing or circumstances are not conducive to resolution. While avoidance may not be a long-term solution, it can provide a cooling-off period or allow for further reflection before addressing the conflict.

Sources of Organizational conflict

Figure 5.3
Sources of Organizational conflict



1. Administrative Expectations

Representative is expected to accomplish the aims, imposed by his / her superior, and clashes arise when such expectations are misconstrued or not fulfilled within the stipulated period.

2. Communication Disturbance

One of the main causes for difficulty in the workplace is communication disturbance, for example in the event that one individual requests some data from another, which does not respond accordingly, difficulty starts in the association.

3. Misconception

Data confusion can also reduce contest in association, as in case one person misinterprets any data, it can cause dispute resolution.

4. Absence of accountability

If in an undertaking responsibilities are unsatisfactory and any slip-up has arisen, in which no person from the community may also transform into a cause for difficulty within the organization to assume liability needs. The reasons for Organizational conflict are to be referred to determine them as right on time as could be expected under the circumstances, since it prevents the proficiency, adequacy and profitability of the workers and the organization too, which at last hampers its prosperity.

5.5 Functional and Dysfunctional Organizational conflicts

What is Functional Conflict?

Functional conflict is a type of conflict that is characterized by the parties' efforts to achieve mutually beneficial outcomes. It is typically characterized by parties working together to resolve the conflict in a constructive way. It is different from dysfunctional conflict, which is characterized by the parties' attempts to resolve the conflict in a way that harms or destroys the relationship.

Functional conflict is typically characterized by parties working together to resolve the conflict in a constructive way. It is different from dysfunctional conflict, which is characterized by the parties' attempts to resolve the conflict in a way that harms or destroys the relationship.

What is Dysfunctional Conflict?

Dysfunctional conflict is a type of conflict that occurs when two or more parties come to an agreement that is not beneficial to all involved. This type of conflict can cause emotional harm, distress, damage to relationships, and create a power struggle.

Dysfunctional conflict is a disagreement or conflict in which each side of the argument is using or trying to use the other side to achieve their own personal goal. Dysfunctional conflicts are often destructive and can lead to tension, anger, and resentment.

5.6 Introduction to Power and Politics

The term power may be used as the capacity to exert influence over others. Power is a relational phenomenon and may be defined in a dynamic sense. From organisational point of view, it may be defined as the degree of influence an individual or group has in decision making without being authorised by the organisation to do so. "Power is the ability to get things done the way one wants them to be done." P.M. Blau observes that "Power is an

exchange process—a person who commands services needed by others exchanges them for compliance with his or her request.” R.M. Emerson states that “Power is a function of ties of mutual dependence in social relationships.” From the organisational point of view, power is the ability of one person (or department) to influence the behaviour of others in the organisation to bring about desired outcomes for power holders.

From the above discussions, the following points emerge:

- ✓ Power is based on two-tier concept of influencing others and being influenced.
- ✓ Power may be potential or enacted.
- ✓ Power represents the capacity, ability, etc. to influence the behaviour of other people.

Characteristics of Power

The following are the characteristics of power:

- 1. Specific:** Power is specific in the sense that it may be exercised by some people in some circumstances. Power may not be exercised by all people in all circumstances.
- 2. Dependency:** The main feature of power is dependency. The greater the dependence of one person on you, the greater is the amount of power you can exert on him.
- 3. Expand or Contract:** Power is elastic. People who are habituated to exercise power, may try to acquire more power and expand it. In some organisations, due to change in position of a manager in the organisation, that is, shift from one department to the other may cause contraction in power.
- 4. Reciprocal Relationship:** Power relationships in an organisation are reciprocal in nature. Power exists due to relationship between two or more persons. It is based on two-way concept of influencing others and being influenced.

Views of Power and Influence

There are different views of power which a manager takes to increase the power of both managers and their employees.

- 1. Autocratic View of Power:** In autocratic view, the power flows downward, it basically comes from the authoritative structure from the management. In autocratic view, someone loses and someone gains, as it has fixed amount.
- 2. Participative View of Power:** In participative view, the power varies i.e. Power has variable amount. It flows in all directions. The power comes from both official and unofficial channels and applied by activities in a group.

Types of Power or Sources of Power

John French and Bertram Raven have identified the following five sources or types of power which may occur at all levels of the organization:

1. Legitimate Power
2. Reward Power
3. Coercive Power
4. Expert Power
5. Referent Power

1. Legitimate Power:

Legitimate power comes to the leader when the organisation's authority is accepted. It comes from the rules of the organisation. For example, managers, teachers, police, parents etc. have legitimate power only when their authority is accepted in the positions they hold.

2. Reward Power:

Reward power is the present or potential ability to reward for worthy behaviour. This source of power depends on the persons have the ability and resources to reward others. Managers have reward powers like pay increases, promotions, favourable work assignments, more responsibility, praise, recognition.

3. Coercive Power:

This source of power depends on fear. The person with coercive power has the ability to inflict punishment. The subordinates may do what their superiors desire because they fear that the superior will punish them if they do not follow the superiors instructions. Coercive power is exercised by the manager against unproductive or disturbing elements and to restore discipline in the task environment. Coercive power is associated with the ability to assign distasteful tasks, without promotions, discriminating subordinates by not rewarding them suitably. Managers threaten the employees, when exercising this kind of coercive power, with the job-related punishments such as dismissal, demotion, reprimand, transfer, and discourage low performance etc. In an organization, managers have coercive power. The employees have an element of fear of punishment if they do not follow the rules, directives, or policies of the organization. It is probably this fear that gets most people to come to work on time and look busy when the boss walks through the area. In other words, much of organizational behaviour may be explained in terms of coercive power rather than reward power.

4. Expert Power:

Another source of power identified by French and Ravea is based on the extent to which others attribute knowledge and expertise on the power seeker. Experts are perceived to have knowledge and understanding only in certain well defined areas. The person must really know what he is talking about and be able to show tangible evidence of this knowledge. It is highly selective and has reputation for being honest and straightforward.

5. Referent Power:

This type of power comes from the desire on the part of the other persons to identify with the agent wielding power. They want to identify with the powerful person regardless of the outcomes e.g. Managers with referent power must be attractive to subordinates so that subordinates will want to identify with them, regardless of whether the managers later have the ability to reward or punish or whether they are legitimate. Managers who depend on referent power must be personally attractive to subordinates.

Politics is an integral and unavoidable part of organization. In order to protect self-interest and attain promotion, managers need to adopt a number of tactics to gain political power. The frequently used techniques of organizational politics are social exchange, selective service, control of information, identification with higher authority, etc. Managers without basic political skill, will find it difficult to protect self-interest and rise to the top.

Power vs. Authority:

Power may be described as the ability of imposing one's will on the behaviour of others. According to Baron, "powers refer to the ability to change or control others' behaviour even against their will and in the face of resistance from them." Authority is different from power. Authority is delegated by the higher management to make decisions whereas power is gained by a leader on the basis of his personality, activities.

Tactics Used to Gain Political Power:

Leaders adopt different tactics to influence others and use power to meet personal gains over and above organizational goals. The frequently used tactics of organizational politics are:

1. Social Exchanges:

It is based on norms of reciprocity. It means placing people under one's obligation and is expected to return the favour in due course. It can be done by inviting people to parties, doing favours to others, providing financial assistance, helping in times of crisis etc.

2. Identification of Authority:

Constantly being used political technique is to attach oneself with some powerful and successful person in the organization. Thus, establishing close links with a powerful boss is an effective method of gaining political power.

3. Selective Tactics:

Selective tactic is an ad-hoc strategy where the employee extends cooperation selectively to his supporters.

4. Control of Information:

It is an important technique to yield power. The functioning of an organization depends upon availability of relevant information. This information can be withheld, falsified, distorted and so on.

5. Co-operation:

It refers to seeking co-operation from those people who are currently belonging to opposition group.

6. Power and Status Symbols:

The employee tries to impress others by attaching symbols which implies power and status. Power is the ability to get an individual or group to do something - to get the person or group to change in some way. The person who possess power has the ability to manipulate or change others.

Political behaviour is outside one's specific job requirements. The behaviour requires some attempt to use one's power bases. Additionally our definition encompasses efforts to influence the goals, criteria or processes used for decision making when we state that politics is concerned with "the distribution of advantages and disadvantages within the organization."

Factor influencing political behaviour

Individual Factors:

Researchers have identified personality traits, needs and other factors that are likely to be related to political behaviour.

In terms of traits, we find that employees who are high self-monitors possess an internal locus of control and need for high power, and more likely to engage in political behaviour.

The high self-monitor is more sensitive to cues, exhibit higher levels of social conformity, and is more likely to be skilled in political behaviour than in social conformity.

Organisational Factors:

Political activity is probably more a function of the organisation's characteristics than of individual difference variables, why? Because many organisations have a large number of employees with individual characteristics listed, yet the extent of political behaviour varies widely. Although, we acknowledge the role that individual differences can ply in fostering politicking, evidence more strongly supports that certain situations and cultures promote politics.

Promotion decisions have consistently been found to be one of the most political organisations. The less trust there is the organization, the higher, the level of political behaviour and the more likely that the political behaviour will be of the illegitimate kind.

Check Your Progress

Choose the Correct Answer:

1. Organizational change refers to

- a) Modification in organizational structure, process or behavior
- b) Employee promotion
- c) Salary increase
- d) Recruitment only

Answer: a) Modification in organizational structure, process or behavior

2. Forces of change include

- a) Technology
- b) Competition
- c) Market changes
- d) All of the above

Answer: d) All of the above

3. Planned change refers to

- a) Random changes
- b) Deliberate efforts to improve organizational effectiveness
- c) Sudden decisions
- d) Temporary adjustments

Answer: b) Deliberate efforts to improve organizational effectiveness

4. Resistance to change occurs when

- a) Employees oppose new changes
- b) Employees accept changes

- c) Productivity increases
- d) New policies are introduced smoothly

Answer: a) Employees oppose new changes

5. Lewin's change model includes how many stages?

- a) Two
- b) Three
- c) Four
- d) Five

Answer: b) Three

6. The stages of Lewin's model are

- a) Unfreezing, Changing, Refreezing
- b) Planning, Organizing, Controlling
- c) Forming, Storming, Norming
- d) Thinking, Acting, Evaluating

Answer: a) Unfreezing, Changing, Refreezing

7. Conflict in organizations occurs when

- a) Interests or ideas differ between individuals or groups
- b) Everyone agrees
- c) Employees work independently
- d) There is no communication

Answer: a) Interests or ideas differ between individuals or groups

8. Functional conflict is

- a) Harmful to the organization
- b) Beneficial and improves performance
- c) Always avoided

d) Causing misunderstanding only

Answer: b) Beneficial and improves performance

9. Dysfunctional conflict refers to

- a) Conflict that improves productivity
- b) Conflict that harms organizational performance
- c) Positive disagreement
- d) Healthy discussion

Answer: b) Conflict that harms organizational performance

10. Power in an organization refers to

- a) Ability to influence others' behavior
- b) Physical strength
- c) Financial investment
- d) Personal wealth

Answer: a) Ability to influence others' behavior

Small Questions – LOCF Mapping Table

S.No	Small Question	CO	Bloom's Level	PO
1	What is organizational change?	CO1	Remember	PO1
2	What is planned change?	CO1	Understand	PO2
3	What do you mean by resistance to change?	CO2	Understand	PO2
4	What is conflict in an organization?	CO3	Remember	PO3
5	What is power in organizational behavior?	CO4	Understand	PO3

Big Questions – LOCF Mapping Table

S.No	Big Question	CO	Bloom's Level	PO
1	Explain the concept and forces of organizational change.	CO1	Understand	PO1
2	Discuss planned change and resistance to change in organizations.	CO2	Analyze	PO2
3	Explain Lewin's model of change and Organizational Development.	CO2	Understand	PO3
4	Describe the concept, process and types of conflict in organizations.	CO3	Analyze	PO4
5	Explain the concept of power and politics in organizations.	CO4	Evaluate	PO5
