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**JAGAT GURU NANAK DEV
PUNJAB STATE OPEN UNIVERSITY, PATIALA**

(Established by Act No. 19 of 2019 of the Legislature of State of Punjab)

**MASTER OF COMMERCE
(M.COM)**

SEMESTER-I

MCMM21101T

ORGANIZATION THEORY AND BEHAVIOR

Head Quarter: C/28, The Lower Mall, Patiala-147001

Website: www.psou.ac.in

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PREFACE

Jagat Guru Nanak Dev Punjab State Open University, Patiala was established in December 2019 by Act 19 of the Legislature of State of Punjab. It is the first and only Open University of the State, entrusted with the responsibility of making higher education accessible to all, especially to those sections of society who do not have the means, time or opportunity to pursue regular education.

In keeping with the nature of an Open University, this University provides a flexible education system to suit every need. The time given to complete a programme is double the duration of a regular mode programme. Well-designed study material has been prepared in consultation with experts in their respective fields.

The University offers programmes which have been designed to provide relevant, skill-based and employability-enhancing education. The study material provided in this booklet is self-instructional, with self-assessment exercises, and recommendations for further readings. The syllabus has been divided in sections, and provided as units for simplification.

The Learner Support Centres/Study Centres are located in the Government and Government aided colleges of Punjab, to enable students to make use of reading facilities, and for curriculum-based counselling and practicals. We, at the University, welcome you to be a part of this institution of knowledge.

Prof. G.S Batra
Dean Academic Affairs



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M.COM

SEMESTER-I

(MCMM21101T): ORGANIZATION THEORY AND BEHAVIOR

MAX. MARKS: 100

EXTERNAL: 70

INTERNAL: 30

PASS: 35%

Credits:6

Objective:

The course aims to provide basic knowledge to the students about the organisation and management of a business enterprise.

INSTRUCTIONS FOR THE PAPER SETTER/EXAMINER:

1. The syllabus prescribed should be strictly adhered to.
2. The question paper will consist of three sections: A, B, and C. Sections A and B will have four questions from the respective sections of the syllabus and will carry 10 marks each. The candidates will attempt two questions from each section.
3. Section C will have fifteen short answer questions covering the entire syllabus. Each question will carry 3 marks. Candidates will attempt any ten questions from this section.
4. The examiner shall give a clear instruction to the candidates to attempt questions only at one place and only once. Second or subsequent attempts, unless the earlier ones have been crossed out, shall not be evaluated.
5. The duration of each paper will be three hours.

INSTRUCTIONS FOR THE CANDIDATES:

Candidates are required to attempt any two questions each from the sections A and B of the question paper and any ten short questions from Section C. They have to attempt questions only at one place and only once. Second or subsequent attempts, unless the earlier ones have been crossed out, shall not be evaluated.

SECTION A

Organisation Theory:

Unit 1 Introduction to Organisation Organisation Theory

Unit 2 Organisation Structure and Effectiveness

Organisational Behaviour and Individual Perspective-I

Unit 3 Overview of Organisational Behaviour

Individual Behaviour and Learning Perception

Unit 4 Attitudes and Values

Organisational Behaviour and Individual Perspective-II

Unit 5 Personality and Emotions

Unit 6 Stress Management

SECTION B

Unit 7 Motivation

Unit 8 Job Design and Job Satisfaction

Group Behaviour

Unit 9 Group Formation and Structure Communication

Unit 10 Conflict Management, Team Building and Leadership, Power and Politics

Organisational Culture and Development

Unit 11 Organisational Culture and Climate Organisational Change

Unit 12 Organisational Development Emerging Trends in OB

Suggested Readings:

1. Kaul, V.K., *Business Organisation and Management*, Pearson Education, New Delhi
2. Chhabra, T.N., *Business Organisation and Management*, Sun India Publications, New Delhi,
3. Gupta CB, *Modern Business Organisation*, Mayur Paperbacks, New Delhi
4. Koontz and Weihrich, *Essentials of Management*, McGraw Hill Education.
5. Basu, C. R., *Business Organization and Management*, McGraw Hill Education.
6. Jim, Barry, John Chandler, Heather Clark; *Organisation and Management*, Cengage Learning.
7. B.P. Singh and A.K.Singh, *Essentials of Management*, Excel Books
8. Buskirk, R.H., et al; *Concepts of Business: An Introduction to Business System*, Dryden Press, New York.
9. Burton Gene and Manab Thakur; *Management Today: Principles and Practice*; Tata McGraw Hill, New Delhi.
10. Griffin, *Management Principles and Application*, Cengage Learning

(**Note:** Latest Editions of the above books may be used.)



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SEMESTER-I

(MCOMM21101T): ORGANIZATION THEORY AND BEHAVIOR

COURSE COORDINATOR AND EDITOR: DR. PINKY SRA

SECTION A

UNIT NO.	UNIT NAME
UNIT 1	INTRODUCTION TO ORGANISATION , ORGANISATION THEORY
UNIT 2	ORGANISATION STRUCTURE AND EFFECTIVENESS
UNIT 3	OVERVIEW OF ORGANISATIONAL BEHAVIOUR, INDIVIDUAL BEHAVIOUR AND LEARNING PERCEPTION
UNIT 4	ATTITUDES AND VALUES
UNIT 5	PERSONALITY AND EMOTIONS
UNIT 6	STRESS MANAGEMENT

SECTION B

UNIT NO.	UNIT NAME
UNIT 7	MOTIVATION
UNIT 8	JOB DESIGN AND JOB SATISFACTION
UNIT 9	GROUP FORMATION AND STRUCTURE COMMUNICATION
UNIT 10	CONFLICT MANAGEMENT, TEAM BUILDING AND LEADERSHIP, POWER AND POLITICS
UNIT 11	ORGANISATIONAL CULTURE AND CLIMATE ORGANISATIONAL CHANGE
UNIT 12	ORGANISATIONAL DEVELOPMENT EMERGING TRENDS IN OB

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SEMESTER-I

COURSE: ORGANISATION THEORY AND BEHAVIOUR

UNIT 1: ORGANISATION AND ORGANIZATION THEORY

STRUCTURE

1.0 Objectives

1.1 Introduction

1.2 Meaning and concept of Organisation

1.3 Organization as a System

1.4 Types of Organizations

1.5 Concept of Organizational Theory

1.6 Classification of Organizational Theory

1.7 In a nutshell

1.8 Key Words

1.9 Terminal Questions

1.0 OBJECTIVES

The purpose of the chapter is to familiarise, teach explain the students the following topics:

- Concept of organisation
- Concept of Organisation Theory
- Classification of Organizational Theory

1.1 INTRODUCTION

An entrepreneur arranges numerous factors of production such as land, labour, capital, machinery, and so on in order to turn them into productive activity. Finally, the product reaches customers

through a variety of channels. Business activities are separated into distinct functions, each of which is allocated to a different person. Individual activities must all contribute to the attainment of common corporate objectives. Organization is the structural framework of roles and obligations that employees must fulfil in order to execute various functions in order to achieve corporate objectives. Management seeks to integrate diverse company processes in order to meet predefined objectives. The term "organisation" refers to a social framework that includes all formal human connections. The organisation entails task alignment and division of labour among personnel in order to achieve the company's ultimate aim. The current business systems are quite complicated. To be competitive in the commercial world, the unit must be operated effectively. All efforts should be taken to coordinate various operations in order to run the units efficiently, lowering production costs and increasing unit profitability. Management's backbone is organisation, since without it, no management can carry out its responsibilities effectively.

1.2 MEANING AND CONCEPT OF ORGANISATION

An organisation is commonly considered as a set of people who get together for a specific, well-defined purpose and dedicate their efforts toward achieving certain objectives. As a result, when people pool their resources for a similar goal, an organisation is formed. Because of his lack of power, ability, and resources, an individual is frequently unable to meet his own wants and desires. As a result, he seeks the help of those who share some of his ideals.

When the individuals are in a position and willing to interact with one another, it leads to the formation of an organisation. The organisation will inevitably come apart if communication is not maintained. Formal and casual communication are both possible. It is also necessary for members of an organisation to be willing to work together. For the sake of achieving their objectives, they collaborate with one another. Common goals are required; otherwise, the members of the group will not be able to stay together for lengthy periods of time. Members of the group should also establish rules and regulations, as well as a formal connection and communication system.

“Organization is a harmonious adjustment of specialized parts for the accomplishment of some common purpose or purposes.” - **Haney**

Organization is a system of cooperative activities of two or more persons.” – Chester Barnard

Consider the case of "Apple computers." Two friends called Steve Jobs and Steve Wozniak joined together in the early phases of the company's development to construct a personal computer that had never been built before. They chose to collaborate because they couldn't develop the computer alone. Both of them were short on money and lacked experience in their respective areas. They realised that they could only achieve their objectives if they collaborated. As a result, a company was founded.

Micro and Macro perspective of an organization:

- **Micro Perspective:** The human being is the main focus in a micro viewpoint. It is concerned with each person's psychological constitution as well as his or her conduct inside an organisation. It investigates how a person is likely to respond in a particular scenario. The Organizational Behavior (OB) system is a micro perspective of persons in organisations that has been thoroughly developed and is now acknowledged as a discipline.
- **Macro Perspective:** Organization is the unit of analysis in the macro viewpoint. It is concerned with the aims, structure, and design of the organisation. Organizational Theory (OT) is a discipline that recognises the macro viewpoint. Organization is analysed from a macro perspective via the lens of management as a whole.

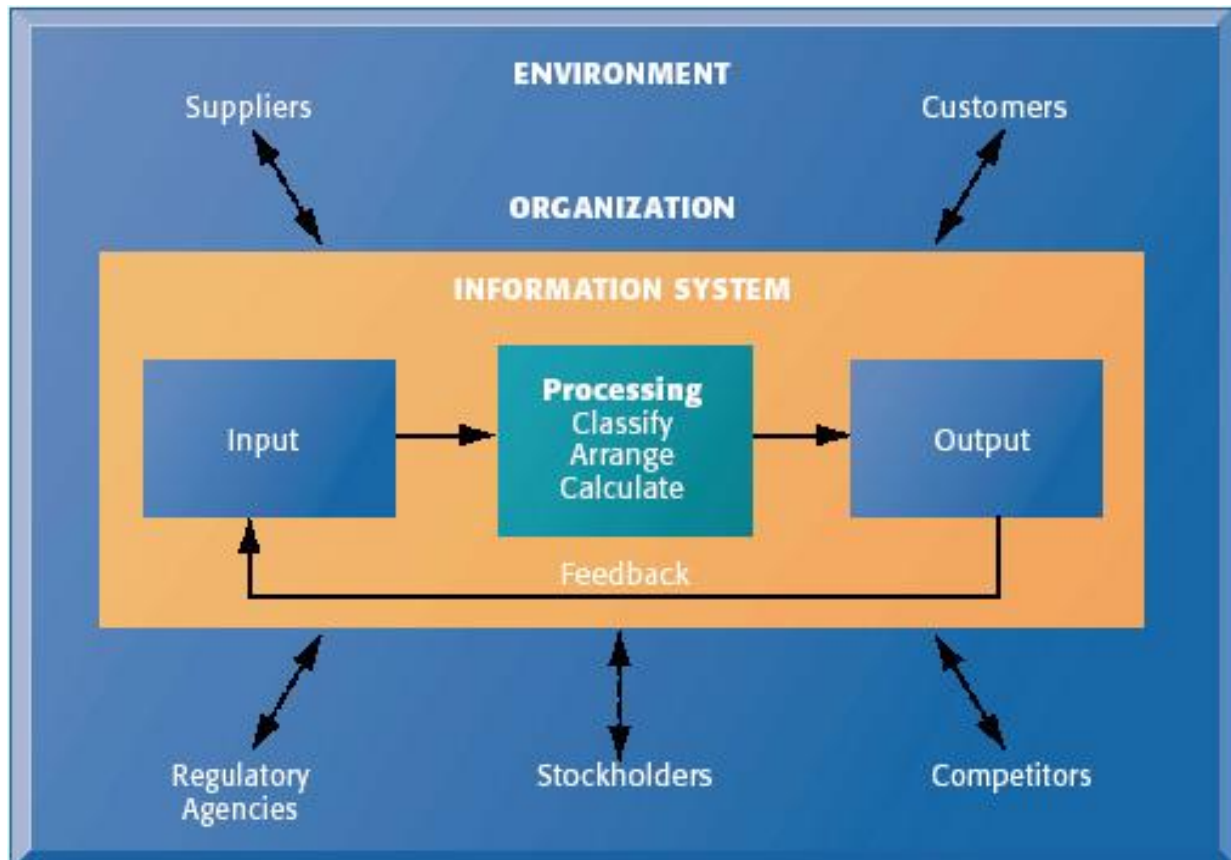
Characteristics of Organization: The organizational structure of activities and responsibilities that employees must execute in order to achieve corporate goals is known as organisation. An organization has the following characteristics:

1. Communication
2. Division of work
3. Coordination
4. Well defined authority-responsibility relationships
5. Cooperative efforts
6. Common objectives
7. Rules and regulations

1.3 ORGANIZATION AS A SYSTEM

Organizations are made up of components/subsystems, each of which has its own set of attributes, according to the systems approach. The concept of "Organization as Systems" refers to a way of

thinking about organisations as systems, based on systems thinking and theory, in order to provide clarity and perspective for studying and analysing them. The enterprise is compared to an organism with interconnected elements, each with its own distinct purpose and associated responsibility, according to systems theory. Understanding the goal and objective of the organisation as a whole, as well as its link to its environment, is critical for effectively determining particular subsystem needs and designing suitable organisation form (structure), functions, and sub-systems.



Source: <https://paginas.fe.up.pt/~acbrito/laudon/ch1/chpt1-2bullettext.htm>

OPEN AND CLOSED SYSTEM: In the diagram, there are 3 major sub-systems

- Inputs system
 - Processing system
 - Output system
- The three systems are interconnected, and the entire system is connected to the outside world, making it an open system. A closed system does not consider "environment" as a factor.
- Three terms define organization as a system Synergism, Interaction and Interdependency.

- **Synergism** means, Working together. It suggests that an organisation system is built as a whole, rather than as the sum of its components. In the example of Apple computers, when Steve Jobs and Steve Wozniak founded the company, Steve Wozniak and Steve Jobs decided to collaborate, and together they created a system of input, processing, and output that had never existed before. Wozniak's technical skills and Jobs' marketing skills coupled to build a viable product that would not have been possible if they had worked alone. The interaction of many sub-systems (input, processing, and output) resulted in a product that was considerably more useful than the sum of its sub-parts.
- **Interaction:** The sub-systems are constantly in contact with one another. There would be no coordination among the units if there was no interaction. Assume the Input system is "untrained human resource" for example. The processing system is responsible for "training" this human resource and transforming it into "human capital." This is only conceivable if the input and processing systems interact consistently, allowing the need of "transforming untrained human resource into trained human capital" to be satisfied.
- **Interdependence** exists between all three systems. There will be no "output." without "processing," which is impossible to achieve without "Inputs." This organisation system becomes an Open Organization System when a fourth subsystem (Environment) is added to it. Anything outside of the organisation that interacts with it on a regular basis and has an impact on its performance is referred to as the environment in this context.

The government, for example, provides subsidies for "Mahindra Electric Cars" to encourage people to buy electric automobiles. These automobiles would be prohibitively expensive for the average person to buy if they weren't subsidised. As a result, the performance of Mahindra's electric automobiles is influenced by an outside factor known as "Government." Various environmental factors/elements interact with an organization's system, such as regulators, consumers, suppliers, and rivals.

2.4 TYPES OF ORGANISATIONS

Organizations may be categorised into numerous categories depending on a variety of factors. Organizations, for example, may be categorised according to their size. They are divided into four categories: tiny, medium, large, and enormous. The goal of categorization is to get insight into how organisations perform as well as to distinguish between them. It highlights some of the organisations under study's distinguishing traits.

Types of organizations based on Function or Purpose

- **Economic organizations**- they are run with the purpose of generating profits.
- **Political organizations**- they are run to provide service to the society.

Types of Organizations based on Relations: Formal and Informal organizations

Difference between formal and informal organisation

Basis	Formal organisation	Informal organisation
Meaning	It is a system of well-defined jobs, each bearing a definite measure of authority, responsibility and accountability.	It is a network of personal and social relationships, not established by formal organisation, but arising spontaneously as people associate with one another.
Origin	It originates as a result of company's rules and policies.	It originates as a result of interaction among people at work.
Authority	It arises by virtue of position in the management.	It arises out of personal qualities of individuals.
Behaviour	Behaviour is guided by rules and policies.	Behaviour is not guided by any rules. It has no set pattern.
Flow of communication	Communication takes place through scalar chain.	It can take place in any direction.
Nature	It is rigid in nature.	It is flexible in nature.
Leadership	Managers are leaders.	Leaders are chosen by the group.

Source:<https://ask.learnbse.in/t/distinguish-between-formal-and-informal-organisation/9228>

Types of Organizations based on Structure:

- **Traditional Organizational Structure:**
 - ✓ Line organization
 - ✓ Line and Staff organization
 - ✓ Functional Organization
- **Contemporary Organizational Structure:**
 - ✓ Project organization
 - ✓ Matrix organization

Note: These structures will be dealt later in the next chapter.

1.5 CONCEPT OF ORGANIZATION THEORY

Professionals can examine effectiveness and competitiveness in firms and agencies using organisational theory. Understanding organisational theory may aid managers and other business leaders in deciding which method to use in their company or organisation. An organisational theory is a collection of connected concepts and constructions that explains how people act in social groups known as organisations. Organizational theory also entails determining how groups of people behave, which may differ from individual behaviour. Organization theory is the study of the structure, operation, performance and functioning of an organization. The goal of OT is to offer important information about how companies work. For example, over time, a number of management concepts have emerged which guides managers in the creation of more successful organisational structures. The sociological study of the forms and functions of social organisations, such as enterprises and bureaucratic agencies, is known as organisational theory.

1.6 CLASSIFICATION OF ORGANIZATION THEORIES

1. Classical organization theory
2. Neo classical organization theory
3. Behavioural organization theory
4. Social system approach
5. Modern organization theory
6. Contingency approach

1.6.1 Classical/traditional Theories: The classical theory encapsulates long-held beliefs about how the organizations work. It marks the start of the systemic study of organisations. For the most part, classical theorists focused on organisational structure and attainment of organisational objectives. Classic ideas were concerned with the anatomy of formal organisation. They overlooked/ignored the informal aspects of organisations. Organizations were viewed as closed systems by classical theorists, who did not investigate the influence of the external environment on their operations. Taylor, Henry, and other major philosophers who contributed to classical philosophy.

FW TAYLOR SCIENTIFIC MANAGEMENT	HENRY FAYOL ADMINISTRATIVE MANAGEMENT	MAX WEBER IDEAL BUREUCRACY
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✓ **F.W. Taylor's Scientific Management**

The first industrial revolution provided the drive for scientific management. The transformation prompted the creation of new management ideas and techniques, which FW TAYLOR created. The first person to urge for "**Introduction of scientific methods in management**" was FW Taylor. In 1910, he started a new movement called "Scientific Management". As a result, he is known as the "**Father of Scientific Management.**"

Taylor's principles of scientific management

1. **Science, not rule of thumb:** Replace the previous "rule of thumb" with "science for each part of man's labour," i.e., job should be specified and carried out scientifically rather than only on the basis of the manager's expertise.
2. **Harmony not discord:** Taylor highlighted the need of total harmony between employees and management, stating that any dispute between the two would be detrimental to both the workers and the management.
3. **Equal division of work between management and workmen:** Previously, labourers bore the brunt of the workload and bore the brunt of the accountability.
4. **Mental revolution on the part of workers and management:** The Mental Revolution indicated that instead of battling over profit distribution, efforts should be made to enhance output and consequently profits. Increased earnings would entail a larger percentage of each worker's income. It would also imply a harmonising of worker-management relations.
5. **Cooperation not individualism:** This idea builds on the 'Harmony, not Discord' philosophy by emphasising reciprocal collaboration between employees and management. Both 'Management' and 'Workers' must recognise the value of one another. Workers should be treated as members of management, and they should be permitted to participate in management decision-making. Management should constantly welcome their proposals, and they should be rewarded if their suggestions prove to be helpful to the organisation. Workers should avoid going on strike or making unreasonable demands on management at the same time.

1. Development of each and every person to his or her greatest efficiency and prosperity:

Any organization's efficiency is determined by the talents and competencies of its personnel. As a result, providing workers with training is critical in order to improve their efficiency and, as a result, the efficiency of the organisation. Employees should be chosen using scientific methods. Each employee's task should be tailored to his or her physical, mental, and intellectual capacities. Employees that work efficiently generate more in order to earn more. This, in turn, aids both the organisation and the personnel in achieving efficiency and profitability.

✓ **Henry Fayol's Administrative Management:** Fayol described the duties of managers and advocated for solid organisational and management concepts. This school of thought was also known as the "universalist school" because it claimed that management ideas could be applied to a wide range of activities. Henry Fayol established 14 management concepts that are universally applicable. Fayol has been called "Father of General Management"

Fourteen Principles of management

1. Division of work/ Labour- By dividing work among workers, management would be able to create technical expertise among workers as they will be doing repetitive work in one area. Thus, it brings Specialization.

2. Authority and responsibility- Authority is the right to get things done and responsibility is answerability for a certain work. According to Fayol, there needs to be a balance. between authority and responsibility. Providing more authority than responsibility would create dictatorial tendencies and more responsibility would demotivate the worker as it would not be matched by authority.

3. Discipline- According to Fayol, it is very important to maintain discipline in an organization. Employees must obey guidelines given by the management.

4. Unity of direction- People engaged in the same kind of activities must have the same objectives in a single plan. This will ensure unity and coordination within the enterprise. It also means that there should be integration of goals of subunits towards organizational goal.

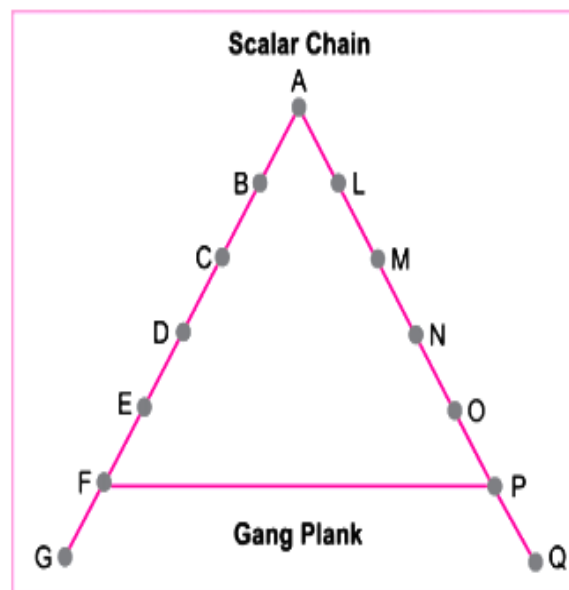
5. Unity of command- Every subordinate should have only one boss with noOther conflicting lines of command. This principle goes against "functional foremanship" given by Taylor.

6. Subordination of individual interest to general interest- Organizational and larger interest should override individual interest. Goals of the firm should be kept paramount.

7. Remuneration- Payments should be fair to members of an organization. Everyone should get Just and Equitable Remuneration.

8. Centralization and Decentralization- According to Fayol, a balance needs to be created between subordinate's involvement through decentralization with manager's retention of final authority through centralization. It varies with every organization, depending upon the structure and functions of the organization.

9. Scalar Chain- Formal lines of authority from higher to lower level are called scalar chain.



Scalar Chain and Gang Plank

As can be seen, there is a pre-defined chain, which specifies who stands where and how employees can communicate in the organization.

10. Order- People and materials must be in appropriate place at appropriate time. This would minimize time lost in handling of materials. Selecting the right employee for the right job can attain order in People.

11. Equity- Managers should follow the principle of being fair to all employees. There should be no discrimination among employees.

12. Stability of personnel- Managers should strive to minimize employee turnover in the organization.

13. Initiative- Employees should be given the necessary level of freedom and autonomy to create new ideas and carry out their implementation. Initiative provides motivation to employees and gives them a sense, of belongingness with the organization.

14. E-spirit de corps- Organizations should strive to promote team spirit and unity within an organization. Union is strength.

✓ **Weber-Ideal Bureaucracy:** By promoting bureaucracy as the optimal form of organisation, Max Weber contributed to the field of organisational theory. According to the Max Weber Theory of Bureaucracy, all company duties must be distributed among staff. Competencies and functional specialities should serve as the foundation for task division. Workers will be thoroughly aware of their function and value in the business, as well as what is expected of them, in this manner.

Characteristics:

1. Division of work
2. Hierarchy of authority.
3. Rules and regulations
4. Impersonal conduct
5. Technical competence

1.6.2 Neo-Classical Theory/Human Relation Approach

The Neo-Classical movement arose as a response to classical ideals, although it did not completely forsake them. It drew attention to the shortcomings of the traditional method and attempted to address them by identifying solutions. The "Hawthorne experiments/studies" done by George Elton Mayo at "Western Electric Company" inspired neo-classical thinkers. The research found that the true reason of human behaviour is more than just physiological factors. These findings drew attention to the importance of human people in companies. As a result, neo-classical theories highlighted the significance of informal organisation and its impact on the formal structure.

Experiments carried out by Elton Mayo: Elton Mayo based his theories on experiments that he carried out at "Western electric". These experiments were termed as Hawthorne experiments.

- **Illumination experiment:** The first was a series of illumination tests that took place between 1924 and 1927. set out to see how illumination affected worker productivity in three different production areas. According to the findings, there is no substantial link between productivity and light levels. The findings inspired researchers to look into additional factors that influence worker production. It was discovered that production is not just determined by physical circumstances, but also by psychological factors.
- **Relay assembly room experiment:** The goal of the experiment was to see how different employment circumstances affected group productivity. Two groups of six female relay assemblers were chosen for these tests. Each group was housed in its own room, and working hours were changed from time to time. Their productivity was measured in normal circumstances. Morning and afternoon output increased once 5-minute rest periods were added. The length of the rest periods was increased to ten minutes, and the production increased. Six 5-minute intervals were implemented, and the girls reported that the frequent pauses disrupted their workflow. The output dropped dramatically. Two rest periods were restored, the first with a hot, complimentary supper provided by the corporation, and production increased.

Conclusion: Worker's output increased as a response to attention, feeling of being important and non-directive supervision.

- **Bank wiring:** The goal was to see how monetary incentives influenced productivity. Surprisingly, production actually reduced as a result of the experiment. Workers had gotten suspicious that their productivity had been artificially inflated in order to justify terminating some of them later.

Elton Mayo performed his research on a group of fourteen guys who assembled telephone switching equipment. The researchers discovered that, despite the fact that workers were paid based on individual output, men's production dropped as a result of their fear that the corporation would cut the base rate. Observing the men in detail showed the presence of informal groups or "cliques within formal groupings," which created informal standards of behaviour and techniques to enforce them. Thus, it was concluded that Individual performance, motivation etc. is defined by "group norms" rather than official standards and norms.

- **Mass Interview Programme:** The Hawthorne tests began to include extensive interviews under Mayo's guidance. Researchers wanted to see whether there were any details (such home

life or relationships with a spouse or parent) that may influence workers' attitudes toward work and interactions with supervisors. From 1928 through 1930, Mayo oversaw the conduct of approximately 21,000 interviews and worked closely with researchers to teach them in interviewing techniques. Mayo's approach changed when he realised that, rather than answering guided questions, workers would talk more truthfully if they were encouraged to speak freely in what was known as non-directed interviewing. Interviewing evolved into a method of emotional release. Mayo noticed that strong ties with co-workers, which he dubbed "informal relationships of interconnection," were the most beneficial for them. "[Employees] created them like crazy whenever and everywhere it was feasible," he wrote. They found them so fulfilling in many situations that they did all sorts of irrational things to fit in. As a result, it was established that social aspects had a favourable impact on the workplace.

Conclusions from Hawthorne Studies:

- The amount of work required is governed not just by physical but also by social capabilities.
- Non-monetary incentives are crucial in influencing motivation. Productivity. Specialization does not always imply efficiency in the workplace.
- Workers respond in groups rather than as individuals.
- The importance of an organization's informal communication and leadership processes.
- The idea of decentralisation was promoted.
- A flat construction was presented as an alternative to a towering skyscraper (which was suggested by classical theorists)

1.6.3 Behavioural science approach: Knowledge from behavioural disciplines such as psychology, sociology, and anthropology is used in a behavioural science approach. Human behaviour is explained and predicted using psychology, sociology, and anthropology. It places a strong focus on the study of motivation, leadership, and communication, among other topics. (to be researched within the heading of organisational behaviour) Behavioural science is a sophisticated version of human relations that focuses on a systematic examination of human behaviour in organisations. Because the Human Relations method was founded on Hawthorne trials, it had a restricted reach. The behavioural science approach's major propositions can be described as follows.

- ✓ A socio-technical system is an organisation.
- ✓ People in the organization's interpersonal or group conduct is impacted by a variety of circumstances.
- ✓ The organization's objectives must be aligned with a knowledge of human needs.
- ✓ Employees have a diverse range of attitudes, beliefs, and values, which shape their behaviour and impact their performance. As a result, some level of conflict is unavoidable in the workplace, while it isn't always bad.

1.6.4 Social Systems Theory: Chester Barnard is considered to be the father of the social system school. Organization theory, according to the social system school, is founded on a knowledge of social group interaction. Organizations are cooperative systems, according to the social system concept. People are able to converse with one another in this type of environment. Under the social system school, Chester Barnard introduced a new notion of authority called "acceptance authority," which states that a person will accept authority provided he understands communication and feels that authority is consistent with organisational and personal goals. The downfall of the authority system will be caused by the rejection of authority. Organizations, according to social systems theory, are made up of decision communication. Distinction is at the heart of social systems theory. Decisions are communication events that help to form a company. According to social systems theory, people are not the organisation.

1.6.5 Modern Organisation Theory: Because of the following characteristics, modern organisation theory is regarded considerably better to older theories:

1. Open system view of Organization: The traditional view of organisation was that it was a closed system. The fact that organisations are always interacting with the environment is taken into account by modern organisation theory (MOT). The environment provides many resources as well as various uncertainties, and an organization's longevity is determined by how well it manages its interaction with the environment.
2. Integrative: Classical theory emphasised formal structure, whereas neoclassical thought emphasised informal organisation. Modern organisation theory takes into account both formal and informal organisations, attempting to incorporate behavioural and quantitative notions. Problems are addressed holistically rather than piecemeal in an organisation. Rather than patchwork, this gives better, more comprehensive answers.

3. Traditional and neo-classical theorists were prescriptive in nature: They offered some suggestions about how to create and run organisations. The emphasis was on recommending "one ideal approach." However, a systems approach takes a realistic perspective and acknowledges the complex issues that businesses encounter. It takes into account both formal and informal relationships in an attempt to come up with unique solutions to the difficulties that organisations confront.

1.6.6 Contingency Approach: The contingency concept outperforms systems and other approaches. It indicates that managerial activities and organisational design must be suited to the situation, as the name implies. The contingency method is action-oriented since it focuses on putting systems concepts and information gathered from other approaches into practise. A certain action is only lawful under certain conditions, according to the contingency approach. There is no single optimum management strategy; it all depends on the circumstances. What a manager does is determined by the circumstances, and there is a dynamic interplay between the factors in a situation and management behaviour. For example, by examining the needs of the employees at several multinational corporations, "Google" discovered that requiring only technical knowledge from its employees and paying them well is insufficient to meet their behavioural demands. It established a workplace where employees may actively participate in ideas and inventions, where work is made as simple as play, and where people feel engaged. Furthermore, Google does not have a fixed approach of personnel management. It recognises that people's requirements change over time and modifies its work environment appropriately.

Theories on Contingency Approach:

1. Burns and Stalker study: Organizations, according to theorists, require various types of structures to govern operations, allowing them to adapt and react to changes and uncertainties in the environment. PESTEL analysis may be used to assess changes in the environment, with changes in variables detected in PESTEL analysis either stabilising or destabilising the environment of a certain organisation. Organizations that operate in a dynamic and unpredictable environment may need to establish or maintain an organic organisational structure, whereas companies that operate in a stable environment may benefit from developing or maintaining a mechanistic organisational structure. The reason for this is because organic structures can process

and transfer information and knowledge more quickly within an organisation, resulting in a greater capacity to adapt to or react to environmental changes.

Mechanistic structures, on the other hand, may be an effective and efficient organisational structure for businesses that operate in a more stable and predictable environment. In a stable climate, companies may not need to make hasty judgments. Similarly, because there is no intrinsic requirement for ongoing change or innovation, many day-to-day choices and operational processes may be institutionalised and consolidated.

2. Emery and Twist: There are four types of organizations according to this theory

- **Placid randomized:** stable environment, slow changes
- **Placid clustered:** relatively stable environment, but survival is linked to what an organization knows of its environment.
- **Disturbed reactive:** oligopolistic market, severe competition between firms
- **Turbulent field:** changes occur constantly, dynamic environment, high uncertainty.

2.7 IN A NUTSHELL:

Organization is the structural framework of roles and obligations that employees must fulfil in order to execute various functions in order to achieve corporate objectives. Management seeks to integrate diverse company processes in order to meet predefined objectives. When the individuals are in a position and willing to interact with one another, it leads to the formation of an organisation. The organisation will inevitably come apart if communication is not maintained. Organizations may be categorised into numerous categories depending on a variety of factors.

2.8 KEY WORDS

Departmentation: The basis by which the jobs are grouped.

Division of Labour: The degree to which tasks are sub-divided into separate jobs in the organisation.

Hierarchy: Arrangement of positions in the organisations from higher to lower levels.

Organisation: Two or more people who work together in a structured way to achieve a specific goal or set of goals.

2.9 REVIEW QUESTIONS

- 1) What is Organisational Structure? Discuss its significance.

- 2) What are the components of organisation structure? Discuss them and explain how do they help in smooth functioning of the organisation.
- 3) Explain various types of organisation structure. How do they facilitate the smooth functioning of the organisation?
- 4) Describe various dimensions of organisation structure. Do you think that the study of formalization, centralisation and complexity help in enhancing the efficiency of the organisation? Discuss.
- 5) What is Organisational Effectiveness. Explain different components and determinants of organisational effectiveness.

SOME USEFUL BOOKS

1. Kaul, V.K., Business Organisation and Management, Pearson Education, New Delhi
2. Chhabra, T.N., Business Organisation and Management, Sun India Publications, New Delhi,
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SEMESTER-I

COURSE: ORGANISATION THEORY AND BEHAVIOUR

UNIT 2: ORGANISATION STRUCTURE AND EFFECTIVENESS

STRUCTURE

2.0 Objectives

2.1 Introduction

2.2 Meaning and concept of Organisation Structure

2.3 Components of Organisation Structure

2.4 Types of Organisation Structure

2.5 Dimensions of Organisation Structure

2.6 Organisational Effectiveness

2.7 In a nutshell

2.8 Key Words

2.9 Terminal Questions

2.0 OBJECTIVES

The purpose of the chapter is to familiarise, teach explain the students the following topics:

- Concept of organisation structure
- Components of organisation structure
- Dimensions of organisation structure
- Organisation designs
- Organisational effectiveness
- Determinants of Organisational effectiveness

2.1 INTRODUCTION

Several actions are carried out in an organisation that must be synchronized. The structure of an organisation is meant to divide tasks, organise activities, and coordinate and regulate the organization's duties. For the establishment of an effective and reliable structure, a thorough examination of various elements and dimensions related to the organisational structure is necessary. The smooth operation of an organisation is aided by well-designed organisational structure. Organizational structure is a structural system which describes the direction to conduct particular tasks so as to achieve a strategic goal or mission. It also helps to determine the flow of information among various levels and positions inside the organization. The structure of an organisation determines who has power and who has responsibilities. It states who is in charge of who and who is responsible for what outcomes. The composition and structural framework of an organization aids a member in understanding his or her position and how it interacts with other responsibilities.

2.2 CONCEPT OF ORGANISATION STRUCTURE

The predefined network of relationships among the components of an organisation is alluded to as the organization's structure. The network of links between persons and jobs in an organisation is referred to as the organisation structure. It is the way through which workflows throughout an organisation. The formal procedure of task allocation and reporting linkages that supervises, coordinates, and encourages people to collaborate and work together so as to achieve an organization's goal line is termed as the organisation structure. The framework of an organisation is described by its structure.

The manager organises individuals into groups and assigns them to superiors, as well as defines the work activities required to complete the task. He creates performance criteria, as well as objectives and deadlines. A reporting system is used to keep track of everything. Organisation structure offers easy interaction, communication, and harmonization. By arranging tasks and individuals, organizational structure enables interaction between groups focused upon their activities. The entire structure has a pyramidal form to it. The structural organisation implies that there must be formal relationships with well-specified obligations. Additionally, the superior-subordinate relationship should be definite and hierarchal along with the activities assigned to various individuals and the departments, which will lead to coordination of the various tasks and

activities. It must include a policies, methods, guidelines and techniques of performance evaluation which are devised with a motive to guide people. According to Mintzberg (1972), “Organizational structure is **the framework of the relations on jobs, systems, operating process, people and groups making efforts to achieve the goals.**”

Significance of Organisation Structure:

For better administration, a good organisational structure is required. By establishing a structure within which individuals can work together most effectively, a well-designed organisation may aid in boosting teamwork and efficiency. As a result, an organisational structure should be designed in accordance with the demands of the organization's employees. Following are the points of benefits which depicts the contribution of the organisation structure to the efficient functioning of an organisation.

- **Clear Authority Responsibility Relationships:** The power and duty are distributed according to the structure of the organisation. It outlines who is responsible for what outputs and who is to guide who. A member of the organisation can use the structure to figure out his position is and its relationship to other responsibilities.
- **Communication Pattern:** The communication and coordination patterns are provided by the organisational structure. Structure enables communication between employees focused on their professional duties by grouping activities and persons.
- **Decision Centres:** Placement of the organization's decision-making centres is determined by its structure. Companies can employ organisational structure to help them make better business decisions.
- **Proper Balancing:** The organisational structure strikes the right balance and places a focus on group activity coordination. These aspects are more essential to its success may be given more priority in the organisation. Equally important tasks might be assigned to the same levels in the hierarchy to ensure that they receive equal attention.
- **Creativity:** By establishing well-defined patterns of authority, a sound organisational structure encourages innovative thinking and initiative among its members. Everyone is aware of his specialisation and the areas where efforts will be valued.
- **Focus On Growth:** An organization's structure establishes the framework in which it operates. It will assist in meeting difficulties and providing possibilities for growth if it is adaptable. A

solid organisational structure aids business growth by boosting the ability of the company to handle greater levels of activity.

- **Customer service and sales:** Businesses must devote more time to customer support rather than on operational problems which may help businesses to respond to consumer enquiries.

2.3 COMPONENTS OF ORGANISATION STRUCTURE

The division of tasks, grouping of activities, coordination of activities, and total completion of tasks are all influenced by the structure of the organisation. Because organisation structure refers to the organization's generally constant relationships and processes, all contributing elements must be considered while building the structure.

John Ivancevich and Michael Matteson advocated those administrators are expected to take up subsequent four decisions for designing organisational structure:

1. Divisions of overall task into smaller jobs.
 2. Distribution of authority among the jobs.
 3. Bases by which the individual jobs are to be grouped together
 4. The appropriate size of group reporting to each superior.
1. **Division of Labour:** Specialization and the division of a difficult manufacturing work into multiple, sub-tasks are integrated in division of labour. In his well-known book, *Wealth of Nations*, Adam Smith stressed the division of labour. Henry Ford employed assembly line production to produce vehicles in the early twentieth century. Each employee was given a definite, repeatable duty. The duties were divided into smaller chunks. Everyone was responsible for completing each stage. As a result, the person has honed his or her skills in that specific activity. The division of labour refers to the division of duties, with each individual focused on a different aspect of the manufacturing process. It's the division of labour and the delegating of responsibilities to separate people.
 2. **Delegation of Authority:** Delegation is the procedure through which a manager divides the work that has been allocated to him so that he may focus on the parts that he can effectively accomplish due to his position. Delegation is the legal authority given to a manager or employee to perform certain tasks. Today's businesses are not just large, but they're also complicated. No manager can claim to have all of the necessary skills and knowledge to do all of the many types of employment. It allows him to operate freely without consulting his

supervisor, yet within the supervisor's guidelines and the typical framework of organisational goals, policies, regulations, and procedures. As a result, delegation entails: a) entrusting work to another for completion, b) granting power, right, or authority to undertake the job, and c) imposing a duty on the person accepting delegation. A manager's capacity to replicate himself via others determines his success. Delegation ensures that the organization's activities run smoothly. Delegation is beneficial to an organization's managerial development. Delegation is vital for every organisation since it relieves management of their responsibilities and allows them to focus on more critical issues. It is a mechanism for developing and training subordinates to take on greater responsibilities. It ensures the organization's continuity and fosters a positive working environment by increasing employee comprehension.

3. **Departmentation:** Departmentalisation is the method through which all activities are grouped together. It is the process of creating departments or separating an organization's functions into a number of discrete units for the goal of effective operation. The definition of this phrase varies greatly depending on the organisation. Departmentation has the effect of separating executive duties and grouping operational functions. As distinct organisational activities are classified according to their relationship with certain roles or objectives, departmentation leads to the benefits of specialisation. Because the performance requirements for each department may be written out accurately, departmentation aids in efficient management supervision. The departments created through departmentation are semi-autonomous units. This increases the efficiency of the departments. It also helps in the development of managerial personnel by providing them opportunities to take independent decisions and initiative.
4. **Span of Control:** The entire number of immediate subordinates that a supervisor may monitor or manage is known as Span of Control. The term "span of control," often recognized as the management ratio. The job kinds that are grouped together are reflected in the departmentation. These tasks are carried out by a variety of people. They must be closely supervised at all times. To ensure effective supervision and control, the span of control, or the number of subordinates directly reporting to a superior, is supposed to be limited. This is due to the fact that CEOs have limited time and resources. In basic terms, span of control refers to a superior's controllable number of subordinates. With a large span, there are fewer layers of management and communication is easier. Because to the time constraints, only general supervision is possible. A short span, on the other hand, necessitates more layers of supervision and, as a

result, more communication time. It is more costly and makes communication more difficult. Managers can apply close oversight and control with a limited span.

2.4 TYPES OF ORGANISATION STRUCTURE

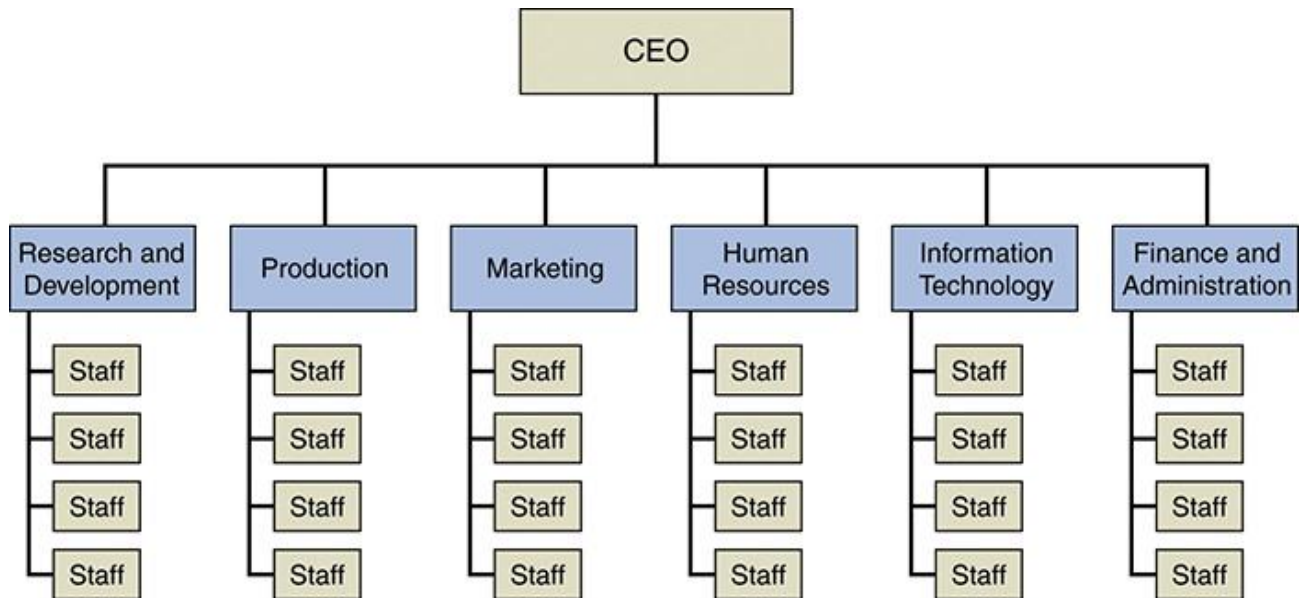
A company's structure gives depicts its structure and how it may best go ahead in attaining objectives. Structure may improve efficiency and offer clarity. Based on the arrangement of activities, many types of organisational structures may be established. Therefore, following are the basic structural forms:

- ✓ Functional Structure
- ✓ Divisional Structure
- ✓ Adaptive Structure
- ✓ Line Structure

2.4.1 Functional Structure:

A functional structure is the most prevalent of them all. The term "functional structure" refers to the creation of divisions and sub-divisions of activities in an organisation based on functions. This is also recognized as a bureaucratic organisational structure, and it divides a corporation into departments depending on its employees' speciality. It is used by most small-to-medium organisations. The process of employing a bureaucratic organisational structure divides the company into numerous departments such as marketing, production, sales, finance and operations. actions associated with each of these functions are grouped together in a single unit. Sub-divisions are developed at lower stages in each unit as the volume of activity grows, and the sum of people reporting to each supervisor at various levels grows. As a result, the interconnected locations form a pyramid shape.

Figure 3.1: Functional Structure



Source: <https://www.informit.com/articles/article.aspx?p=2931568&seqNum=2>

The fundamental benefit of an organization's functional structure is that each unit has functional specialisation, which leads to operational efficiency for the individuals involved, and the organisation as a whole, benefits from specialised activities. A vertical hierarchy system requires personnel to report to a functional manager. Small businesses as well as those that provide a single type of service or product on a regular basis, such as repair shops, motels, and restaurants, might benefit from a functional organisation structure.

However, when an organisation increases in size and complexity, it is unable to handle the difficulties that arise. Higher-level managers pay insufficient attention to the problems of sub-units at lower levels, while some activities are over-emphasized. When a vast number of sub-units undertake various types of activities, functional units become inefficient and difficult to manage. Personal contact between supervisors and subordinates has become uncommon, and communication has grown delayed, causing coordination and control issues.

2.2.2 Divisional Structure:

The second form is predominant in large companies with several business units. Larger firms that cover a big geographic region or support numerous lines of business and products under one corporate umbrella are more likely to employ a divisional structure. It is better suited to all major

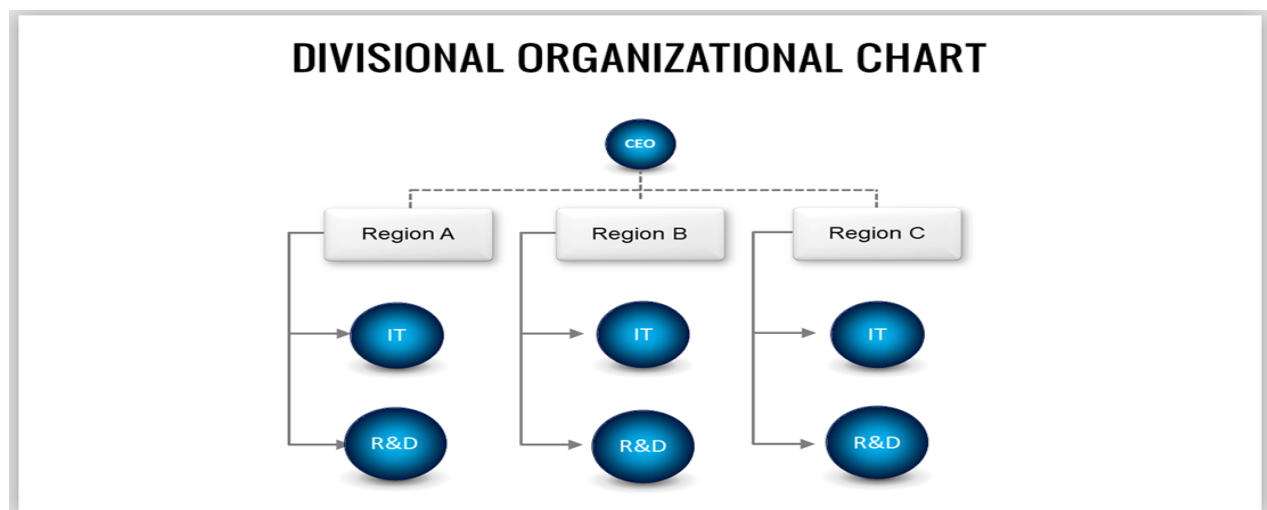
businesses, especially those that deal in different items to serve multiple markets. The organisation is subsequently broken down into smaller business units, each of which is in charge of distinct goods or market areas. Johnson & Johnson is an example of this organisation as it organises itself in such a manner that each unit runs as its own company with its own head or president, despite the fact that it has hundreds of goods and lines of business.

Figure 3.2: Divisional Structure (Product)



Source: <https://www.greycampus.com/blog/project-management/common-types-of-organizational-structures-in-project-management>

Figure 3.3: Divisional Structure (Territory)



Source: <https://slidemodel.com/matrix-organizational-structure/divisional-organizational-chart/>

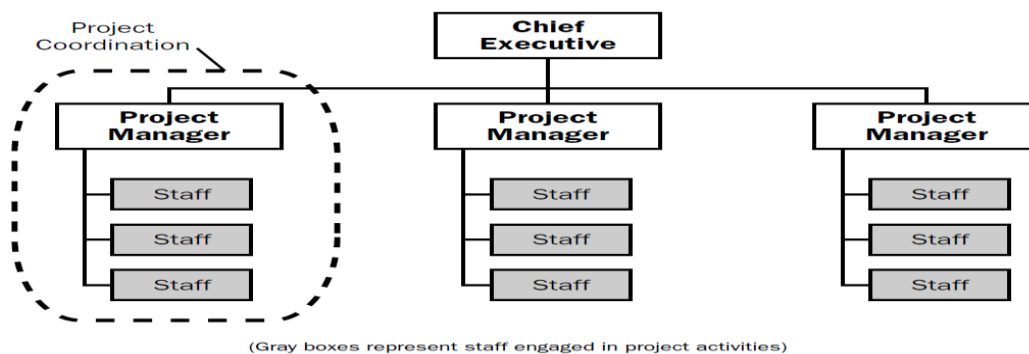
Each division in a divisional system delivers budgeted revenues to the organisation but otherwise operates as a separate entity. Decentralization of power is a feature of the divisional organisation. As a result, managers are able to make quick judgments and tackle challenges specific to their divisions. Companies with a divisional structure tend to advance quicker than those with a functional one.

2.4.3 Adaptive Structure

Organisational structure is often intended to cope with the unique nature of the organization and according to the prevalent situation. This sort of structure is known as adaptive structure. It is of two types:

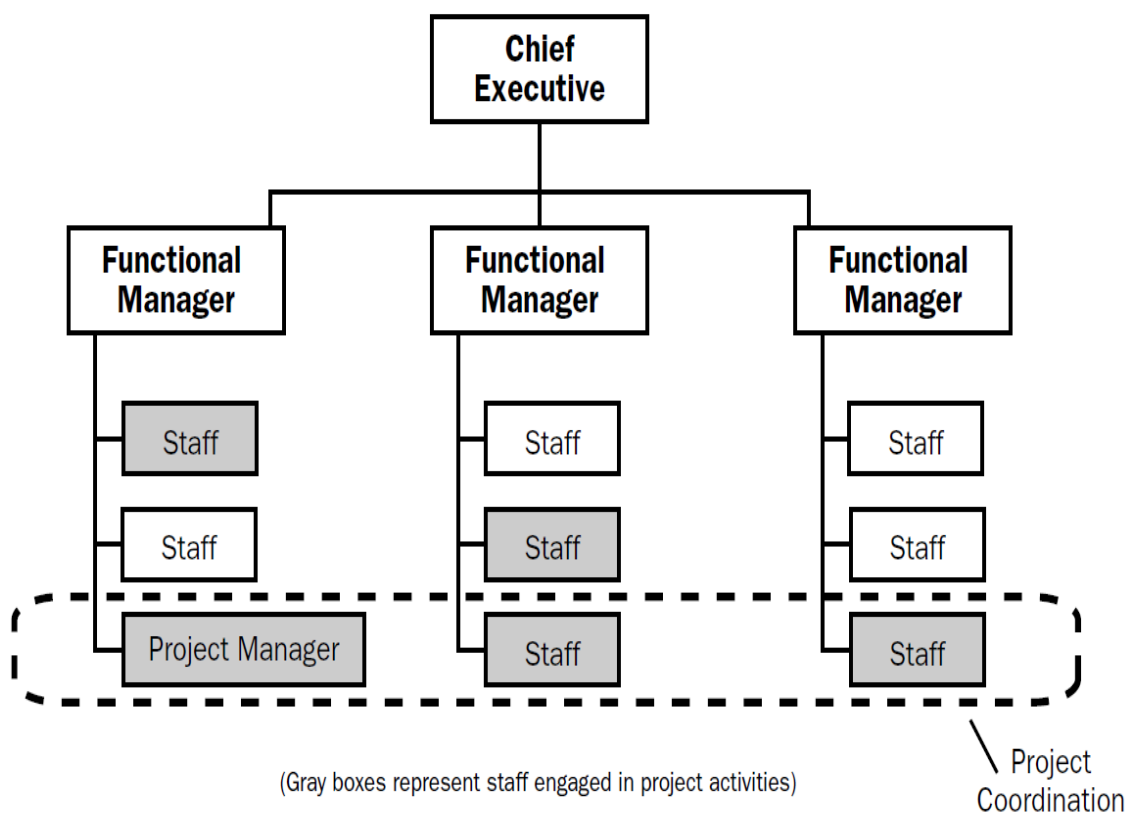
- i) Project Organisation, and
- ii) Matrix Organisation

i) Project Organisation Structure: The project organisational structure determines the hierarchy of individuals, their functions, flow of work and reporting system. It is a business aspect that guides and defines how a firm conducts its activities. The project organisation is considered to be the best ideal when a firm performs any specialised, time-bound task requiring one-time activities over a relatively extended period. In this case, the current organisation establishes a dedicated unit to work on a project without interfering with its usual operations. The coordination and implementation of project activities are aided by a project organisation. A project organisation is led by a project manager in charge, who is a middle management level executive who reports directly to the CEO. The fundamental benefit of such a structural design is that it does not disrupt routine activity. It is only concerned with the task of completing project work on schedule and in accordance with the performance criteria related to the project's purpose.



Source: <https://www.projectengineer.net/the-4-types-of-project-organizational-structure/>

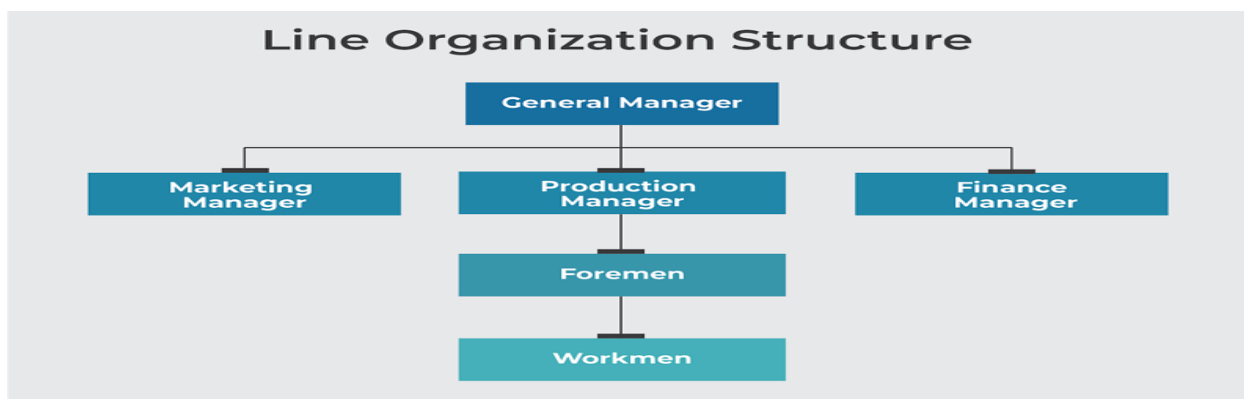
ii) **Matrix Organisation Structure:** Most companies fall somewhere along the range, with a structure that gives project managers a little more autonomy while still focusing on providing functional services. In a typical matrix organisation, a project manager is assigned from inside one of the functional divisions as a part-time or full-time position. They are members of project teams appointed by other departments and released of their responsibilities. As a consequence, the project may be prioritised while the functional division's services are maintained. In the matrix organisation structure, there are functional departments with specialised people delegated to work full time on various projects, often on several projects, under the general supervision and control of project managers. When a project's work is finished, the people who worked on it return to their respective functional departments to be allocated to another project. The matrix structure offers a flexible framework that is well adapted to changing situations. It allows specialised and technical professionals from various functional divisions to be pooled and assigned to a variety of projects. The main disadvantage of matrix organisation is that it sacrifices the principles of command unity. Because the same person is working on many projects at the same time, this causes tension and strain in project management.



Source: <https://www.projectengineer.net/the-4-types-of-project-organizational-structure/>

2.4.4 Line Structure

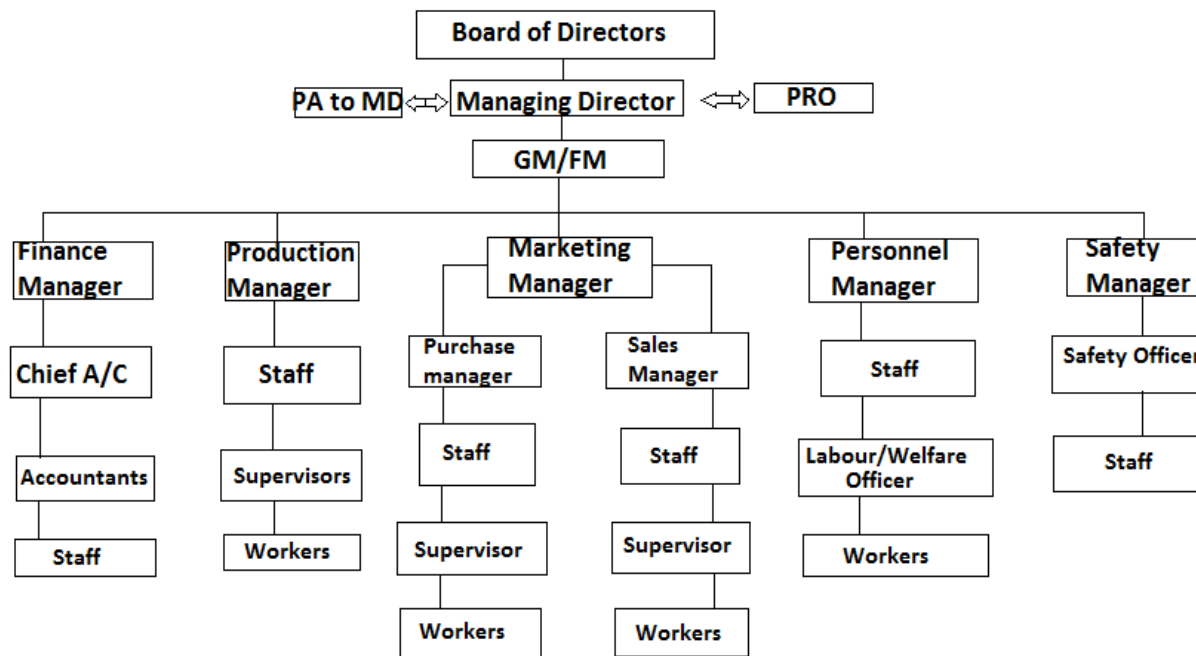
The line structure is one of the most fundamental organisational systems. From the top to the bottom, it delegated authority. These organisations do not offer specialised or assisted services, unlike other institutions. Each department head, as well as the chain of command, has authority over their respective departments. The self-contained department organisation is the most noticeable characteristic. Line officers may make autonomous decisions as a result of the integrated structure. Excellent communication, which promotes organisational stability, is the primary benefit of a line organisational structure.



Source: <https://www.greycampus.com/blog/project-management/common-types-of-organizational-structures-in-project-management>

2.4.5 Line and Staff organization:

A line-staff organisation would be one in which work responsibilities are delegated from upper management to lower-level employees. Managers establish quality standards and deadlines for staff to meet, and they communicate their expectations to the rest of the team. A more advanced variation of line organisation is line and staff organisation. According to this administrative model, specialised and supported operations are related to the line of command by assigning staff supervisors and staff experts who are attached to the line authority. Line executives are in charge at all times, while staff supervisors coach, advise, and counsel them. The Managing Director's personal secretary is a member of the workforce.



Source: <https://rlsdhamal.com/organization-for-safety/line-and-staff-organisation/>

2.5 DIMENSIONS OF ORGANISATION STRUCTURE

Three dimensions of organisation structure have been defined by Robins, which are discussed as below:

- Formalization:** The extent to which diverse operations, rules, processes, and directions are stated, defined, and standardised in an organisation is referred to as formalisation. The degree of formalisation is related to the degree of division of labour, the amount of delegation of power, the degree of departmentation, and the span of control. Due to formalization, the standardised activities diminish the irregularities in the organisation. The standard activities help to eliminate uncertainty and disagreement. It encourages collaboration. All actions are defined and outlined, making cooperation easier. There isn't much room for discretion. The decision is made based on established norms and processes. On the other hand, formalization inhibits creativity and flexibility in the company. Employees may be resistant to the planning and implementation of new regulations.
- Centralisation:** Much of the authority in a centralised company is concentrated, with managers and corporate employees issuing rules and making important decisions. While

centralization provides control and enables for coordinated action, it also takes away independence. The centralisation of Henry Fayol's fourteen principles is one of them. Decentralisation, he claims, entails reducing the role of subordinates in decision-making and expanding their involvement. Managers, according to Fayol, should maintain ultimate accountability while still delegating adequate power to their subordinates to accomplish their duties correctly. The issue is determining the appropriate level of centralization for each situation. As a result, the degree to which decision-making is centralised in an organisation is referred to as centralisation. The rule of centralization is that little authority is delegated, and power and discretion are concentrated in a few executives. In order to survive in today's highly competitive market, small businesses may need to centralise. However, as the organisation grows in size, dependency of workflow, and job complexity, the organisation gets more complicated. As a result, the greater an organization's size, the more pressing the need for decentralisation. The transfer of authority from a higher to a lower level is the core of decentralisation. It is one of the most basic democratic management ideas, in which each individual is appreciated for his or her intrinsic worth and constitution.

- **Complexity:** It refers to the differences among the jobs and units. It reflects the degree of differentiation existing within the organisation. Within an organisation, complexity is measured by the number of separate departmental units or activities. A complex organisational structure is created by a range of jobs and units. It may be tough to manage a complicated structure. The more differentiation there is within an organisation, the more complex it becomes. Horizontal, vertical, and spatial difference may be present depending on the complexity of the activity.

The number of various units at the same level is referred to as **horizontal** differentiation. This indicates that if there are a lot of tasks that demand specialised talents, the organisation will be more complicated. Differentiation is exemplified through specialisation and departmentation. **Vertical** differentiation, on the other and, relates to the number of layers. It represents the depth of the organization's structure. This indicates that as the hierarchical level rises, the organisation becomes more complicated. Coordination and communication become challenging in such an environment. The span of control, which defines the number of people who can be properly monitored by a manager, has an impact on the interaction process. The managers have more people

to supervise in the wide span, and they have fewer people to monitor in the small span. **Spatial** differentiation, the third form of differentiation, relates to the degree to which units and persons are spread. The organization's efforts are now spread over several regions. The organization's complexity is increased by the many locations. In such an organisation, coordination and interaction are also tough.

According to John Invancevich and Michael Matteson, strong formalisation implies a high level of specialisation, delegated authority, functional departments, and a broad range of control. The high level of centralisation represents the high level of specialisation, centralised authority, functional departments, and control span. High specialisation, delegated authority, territorial, customer, and product divisions, and tight control spans all contribute to the high complexity. The lack of formalisation, centralization, and complexity are the polar opposites.

2.6 ORGANISATIONAL EFFECTIVENESS

Organizational effectiveness is described as a term that measures an organization's efficiency in achieving its goals with limited resources and without placing excessive burden on its workers. It assesses a company's ability to achieve its objectives. A well-functioning and efficient organisation runs smoothly. It is an organization's, group's, or company's ability to achieve its objectives through efficiency. Organizational effectiveness is a notion that companies use to determine how successful they are in achieving their goals. Leadership, decision-making, and hierarchy, employees, work systems and processes, and culture are all areas in which highly effective businesses excel. Great performance across all verticals, in a holistic way, is what defines an effective organisation.

2.6.1 Determinants of Organisational Effectiveness: There are numerous factors which influence organisational effectiveness. Some of them are discussed below:

- **Managerial Policies and Practices:** Managerial policies and procedures unify the whole organisation, keep the balance among the organization's interest groups, and adapt to the external environment. The following are the most crucial managerial policies and practices:
- ✓ **Strategy:** A strategy is a plan for dealing with the competitive environment in order to meet organisational objectives. The strategy determines the organization's future course of action.

New strategies are frequently chosen in response to environmental demands, and senior management then works to rebuild the organisation to fulfil those goals.

- ✓ **Leadership:** It is the process of persuading members to work toward the organization's objectives. Leaders make it easier to figure out what the organization's aims are. They are the ones that start the process of creating a vision for their company. Leaders must establish and enhance important processes and execute them with daily discipline to attain high performance or maintain results.
 - ✓ **Decision-making:** Choosing between options is what decision-making entails. The decisions made by management have a significant influence on an organization's performance.
 - ✓ **Rewards:** It's a means of rewarding people for their contributions to the fulfilment of organisational objectives. Its primary goal is to maintain staff morale while also increasing or maintaining productivity.
 - ✓ **Communication:** The organization's structure must allow for seamless communication and information sharing among its various members. Communication inside an organisation is the lubricant that allows for transformation.
-
- **Environmental Characteristics:** External environmental features that are complicated and hostile to the organisation and its activity have a significant impact on organisational performance.
 - ✓ **Predictability:** Predictability relates to how certain or unsure an organisation is about the events which are going to affect an organization. It's a part of the surrounding environment.
 - ✓ **Complexity:** The variability and diversity of activities that are significant to an organization's operations are referred to as environment complexity.
 - ✓ **Hostility:** When the surroundings of a workplace create a setting that is difficult or unpleasant for another individual to work in, it is called a hostile work environment. A hostile environment is one in which the organization's foundation is jeopardised.
 - **Employee characteristics:** Human resource qualities have the potential to build or ruin an organisation. Some of these are as follows:
 - ✓ **Goals:** Goals are the intentions that an individual or an organisation wishes to attain during their employment. People's behaviour is guided by goals, which lend a directive aspect to their thoughts and activities.

- ✓ **Skills:** Skill is defined as the capacity to conduct a set of behaviours that are functionally connected to one another and lead to a desired outcome in a certain area.
- ✓ **Motives:** A motivation is a person's inner condition that energises, activates, or moves and leads them toward achieving a predetermined objective. Employees that are motivated have a strong desire to improve their performance and meet their goals.
- ✓ **Attitudes:** Attitudes are evaluative judgments about objects, events, or people that are either positive or negative in nature. Job behaviour and, as a result, organisational success is influenced by attitudes.

Values: Values are guiding or motivating beliefs that steer or encourage attitudes and behaviours. A person's motivation and, as a result, behaviour are influenced by the value he or she holds.

- **Organisational Characteristics:** The general circumstances that exist inside a company are known as organisational characteristics. The efficacy and effectiveness of an organisation is affected by a number of factors. The following are the key features:
 - ✓ **Structure:** Six things must be considered while developing an organization's structure for it to be effective. These are: work specialisation, departmentation, chain of command, span of control, centralisation and decentralisation, and formalization.
 - ✓ **Technology:** Technology is used by every organisation to turn financial, human, and physical resources into goods or services. The technology that is chosen and how it is used has an impact on the efficiency of an organisation.
 - ✓ **Size:** Size relates to an organization's physical capabilities, existing staff, organisational inputs and outputs, and budgetary resources. The structure of an organisation is influenced by its size, and the efficacy of the organisation is influenced by its size.

The Six Systems of Organizational Effectiveness:

The Six Systems have a broader scope than functional departments, and they must be regarded as part of an integrated system, both independently and interdependently. These Six Systems lay the groundwork for a healthy, high-performing company by establishing the circumstances and components required.

1. **Leadership:** Leaders must establish and enhance important processes and execute them with daily discipline to attain high performance or maintain results. They must transform their vision and values into strategy, objectives, procedures, and practises, as well as actions and accountability, execution, and performance.
2. **Communication:** Leaders who maximise their involvement to everyday conversation, they involve and align individuals around a shared cause, diminish uncertainty, keep people focused, learn from experience, treat mistakes as intellectual capital, and leverage the power of leadership decisions to shape beliefs and behaviours.
3. **Accountability:** Vision and strategic direction are translated into goals and objectives, activities, and accountability by leaders. People's expectations are clarified through performance accountability systems, which link consequences and incentives to real performance.
4. **Delivery:** The crucial task should be completed and performance must be delivered. Trying to align initiatives and operational processes with strategic plan; continually improving procedures; pursuing performance breakthroughs in critical areas; using sophisticated change strategies in support of major initiatives; establishing a pattern of executive sponsorship for all initiatives; and building future capability and capacity are all examples of how operations should be focused on the most significant projects.
5. **Performance:** The Human Performance Appraisal System is intended to attract, develop, and retain the best and brightest employees. The concept is to employ the greatest individuals and assist them in honing their skills, abilities, and expertise throughout time.
6. **Measurement:** Concrete measures that promote quality control, consistent behaviours, and predictable productivity and outcomes are required by organisations. They keep track of progress against strategy and planning, analyse operational outcomes using clear key metrics, review the strategies on a routine basis, and ensure that action is guided by insight based on relevant, current data and is focused on attaining the vision.

2.7 IN A NUTSHELL:

Organizational structure is the framework of the relations on jobs, systems, operating process, people and groups making efforts to achieve the goals. By establishing a structure within which individuals can work together most effectively, a well-designed organisation may aid in boosting

teamwork and efficiency. The structure of an organisation is meant to divide tasks, organise activities, and coordinate and regulate the organization's duties. For the establishment of an effective and reliable structure, a thorough examination of all components and dimensions of the organisational structure is necessary. The smooth operation of an organisation is aided by a well-designed organisational structure.

2.8 KEY WORDS

Bureaucracy: A structure with highly routine operating tasks achieved through specialisation, formal rules and regulations.

Centralisation: The degree to which decision-making is concentrated in one or a small group of individuals at the higher level of management.

Decentralisation: The degree to which decision-making power is extended to the lower levels of management in the organisation.

Departmentation: The basis by which the jobs are grouped.

Division of Labour: The degree to which tasks are sub-divided into separate jobs in the organisation.

Hierarchy: Arrangement of positions in the organisations from higher to lower levels.

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SEMESTER 1
COURSE: ORGANIZATIONAL BEHAVIOUR

Unit 3 – Overview of Organizational Behaviour

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1.0 OBJECTIVES

After studying the Unit, students will be able to:

- Define the Meaning of Organizational Behaviour
- Explain the Elements and Models of Organizational Behaviour
- Define the Features and Need for Organizational Management

- State Essential Functions of Management
- Explain the Roles and Skills of Management
- Define Foundations of Individual Behaviour
- State Factors and Theories of Learning

1.1 INTRODUCTION TO ORGANIZATIONAL BEHAVIOUR

Within an organisation, OB is the study, prediction, and control of human behaviour, both individually and in groups. This field of study looks at how people behave in the workplace and how that affects understanding of the job, performance, communication, motivation, and leadership.

Individuals, groups of people functioning together in teams, and a study of an individual's expected conduct in an organisation are all covered by organisational behaviour.

In a given work scenario, no two people are likely to act in the same way. It is a manager's ability to foresee an individual's expected conduct. In human behaviour, there are no absolutes. The human aspect contributes to productivity, hence studying human behaviour is important.

1.1.1 DEFINITION OF ORGANIZATIONAL BEHAVIOUR

Behaviour is a study of human behaviour in organisational contexts, the connection between human behaviour and the enterprise itself,

According to K Aswathappa. In other words, organisational behaviour refers to how individuals communicate with one another within a company. As a result of these interactions, the organization's behaviour and performance are influenced.

Organizational behaviour, according to Stephen P. Robbins, is "a branch of research that explores the effects that individuals, groups, and structures have on conduct inside organisations with the goal of using such information to improve the functioning of the organisation."

Organizational behaviour, according to L.M. Prasad, is "the study and application of information about human behaviour relating to other factors of the company such as structure, technology, and social behaviour."

1.1.2 IMPORTANCE OF ORGANIZATIONAL BEHAVIOUR

OB aids in the understanding of oneself and others, hence improving interpersonal relationships. OB research provides insight into how employees act and behave in the workplace. It also aids in the development of an awareness of the factors that can encourage people, improve their performance, and assist organisations in building a strong and trusted relationship among employees. It assists managers in developing collaborative and cooperative relationships through interaction, member rotation among teams, avoidance of win-loss situations, and an emphasis on overall group goals.

1.1.3 ELEMENTS OF ORGANIZATIONAL BEHAVIOUR

The following are the elements of Organizational Behaviour.

1. **PEOPLE:** Employees are one of the most significant aspects of a company because there are no alternatives in a company without them. Individuals and groups make form the inner social system of organisations. People are dynamic by nature because they interact with and influence one another.
2. **STRUCTURE:** Everything has a framework in this world. The roles and interactions of people in an organisation are defined by the structure. The second step of organisational behaviour is structure, which displays an organization's official interaction with on-the-job employees. People must be structurally connected in order to function effectively and play a critical role in organisational development.
3. **TECHNOLOGY:** Work would be difficult or impossible in today's environment without technology. Technology provides employees with the resources and equipment they need to execute their jobs effectively
4. **ORGANIZATIONAL GOALS:** The purpose of organisational goals is to provide direction to the organization's employees. Strategic objectives are strategic objectives established by a company's management to define expected outcomes and direct employees' efforts. Goals are crucial to organisational effectiveness because they provide employees with a target to work toward. Marketing, finance, operations, accounting, human resource, legal, and other departments may exist inside an organization's structure. Each unit should have a departmental goal that outlines the department's responsibilities while also aligning with the organization's overall goal. Business objectives differ in three ways, and the goals for each should be

different, more detailed, and appropriate for the label. Strategic objectives are determined by top level management. Mid-level managers take actions on tactical goals. Low level managers take operational decisions for short duration.

1.1.4 MODELS OF ORGANIZATIONAL BEHAVIOUR

A model can aid in the comprehension of an idea, a structure, a system, or even a complex interaction involving two or more elements. The OB comes in a variety of models, as seen below:

- 1. MODEL OF AUTOCRACY:** Management and owners in an authoritarian business model have official authority over the job and the employees that work for them. Employees labour under intense management control and do not take direct responsibility for their work.
- 2. MODEL OF CUSTODY:** This concept aims to inspire employees by offering financial security in the form of salary and benefits plans (such as health care and retirement plans). However, the decision-making process remains officially in the hands of management, who serve as caretakers of the organization's employees.
- 3. COLLEGIAL MODEL:** The Collegial Model is based on collaboration. Employees that are team members are treated more like coaches by management. Employees take independent control of their job and supervisors lead through inspiration, thus there is some power sharing.
- 4. MODEL OF SUPPORT:** This concept is not based on authority or control. Instead, managers should focus on what motivates and inspires their people in order to boost productivity. This is a relationship-focused organisational culture that encourages employees to take part in decision-making.
- 5. MODEL OF THE SYSTEM:** Employees are driven by challenges and significance in their work, not just cash rewards. Employees strive to foster a positive workplace environment, while employers assess the overall structure and team atmosphere.

1.1.5 TEST YOUR UNDERSTANDING (A)

1. Define the term Organizational Behaviour.

2. Explain elements of Organizational Behaviour.

3. Define Models of Organizational Behaviour.

1.2 ORGANIZATION AND MANAGEMENT

Managers administer and control organisations, and there can be no turnover of command inside an organisation without management. An organisation is a formal collection of individuals with a same goal, whereas management is the process of organising, planning, and controlling. In other words, an organisation is made up of people working together towards a common goal. Management is the activity of planning, organising, leading, and controlling the interrelated activities of a business or organisation.

Managers and an organisation are more similar and play a significant role in any business's day-to-day operations. An organisational structure necessitates management, and integrating management and organisation is critical to a company's success.

1.2.1 FEATURES OF ORGANIZATION

- Composition of interrelated individuals.
- Well defined authority, responsibility and relationship
- Group behaviour
- Deliberate and conscious creation
- Coordination of activities
- Structure

1.2.2 EXTERNAL ENVIRONMENT

A good working environment is helpful for good production. An organisation operates in a larger social system and is influenced by the external environment which includes socio-cultural,

economy, political, legal, technological and geographical forces that influence people's attitudes, motive, and working conditions in an organisation in many ways.

1.2.3 NEED FOR ORGANIZATIONAL MANAGEMENT

Organizational management is necessary because it provides individuals with a clear of security and unity. As a consequence of excellent organisational management, employees completed tasks within the time range specified. It also contributes to a calm and pleasant working environment.

1.3 ORGANIZATIONAL MANAGEMENT ESSENTIAL FUNCTION

All managers, according to Henry Fayol, execute the following managerial functions:

- 1. PLANNING:** Planning include identifying an organization's goals, constructing a best systems of designed to coordinate activities, and establishing an overarching strategy for accomplishing those goals.
- 2. ORGANISING:** Managers are also in charge of developing an organization's structure, which is referred to as organising. It entails deciding what activities should be completed, who should complete them, how work should be organised, who should report to whom, as well as where decisions should be made.
- 3. LEADING:** Every organisation has people, and it is the responsibility of management to control and coordinate those individuals. This is the most important role. Managers engage in leading when they motivate employees, control the activities of others, choose the most suitable channel, or handle problems among members.
- 4. CONTROLLING:** Controlling is the final role that managers perform. Managers must monitor the organization's performance to ensure that everything is running smoothly. Actual results must be compared to expectations.

1.4 ROLES OF MANAGEMENT

The functions of management in organisational behaviour are discussed in this article.

1. UNDERSTANDING HUMAN BEHAVIOUR:

People make up organisations, and without people, there will be no organisations. Managers should first know the people that make up the organisations in order to comprehend the enterprises

in which they operate. Organizational behaviour is a technique that assists managers in comprehending people's behaviour in all directions in which humans interact.

Individual, interpersonal, group, and intergroup levels of organisational behaviour can all be comprehended.

(a) INDIVIDUAL LEVEL: The understanding of individual behaviour is the primary emphasis of behavioural sciences. It aims to figure out how and why or how a person acts in a certain way in a specific situation. Individual behaviour is a complicated phenomenon that is influenced by a variety of psychological, social, and cultural influences. Organizational behaviourists' job is to bring these aspects together to better understand human behaviour.

(b) INTERPERSONAL LEVEL:

Organizational interpersonal behaviour can also be understood using behavioural sciences. Two-person relationships are unavoidable in organisations. Man's most basic attempt at socialisation is interpersonal interaction. Managers can better understand themselves and others by studying behavioural sciences. This will also aid in the improvement of interpersonal relationships and analysis of

- i. Reciprocal connection analysis
- ii. Role analysis
- iii Transitional Analysis

Are some of the most prevalent approaches for gaining such knowledge.

(c) GROUP LEVEL:

Individuals behave differently as individuals and as members of groups, according to Hawthorne experiments. Group norms frequently influence his behaviour. The performance of a group has a synergistic effect. The development, behaviour, and interactions of groups are investigated during the organisational process. Management can take advantage of group dynamics to improve communication, leadership, and morale.

(d) INTERGROUP LEVEL:

Organizations are made up of many different groups, which makes interactions more complicated. Managers must have a thorough understanding of the group dynamics. Intergroup relationships can take the shape of collaboration or rivalry.

Knowledge and maintaining cooperative group connections is aided by organisational behaviour.

i. Collaboration

ii. Member rotation between groups

iii. Averting a lose-lose situation

iv. Concentrate on the overall goals of the group

2. CONTROLLING AND DIRECTING BEHAVIOUR:

Managers must control and direct human behaviour after understanding the process of human behaviour in order to achieve organisational objectives. Managers can use organisational behaviour to affect behaviour in the following ways:

(a) LEADERSHIP:

Leadership assists management in aligning human behaviour with the needs of the organisation. For survival and growth, an organisation requires competent leadership. An organization's leadership theories are continually accepted for the seamless accomplishment of their activities. To develop the leaders, there are characteristic, objective, and situational approaches.

Only the correct kind of leadership can help an organisation succeed. A capable leader makes full use of all people and physical resources to achieve organisational objectives. Individuals, groups, and several other parts of the organisation are linked by leadership.

(b) MOTIVATION:

Organizational motivation is critical for long-term success. Humans work for a variety of reasons, including financial gain and job happiness. A manager's job in an enterprise is to just get things done with the help of others. When he can persuade his employees to work toward organisational goals, he will be productive in his position. Managers can use organisational behaviour to better

understand their employees' wants and desires, as well as other elements that influence their motivation. Incentives, both monetary and non-monetary, are used to motivate subordinates.

(c) COMMUNICATION:

People interact with one another through communication, which is why it is referred to as the organization's building block. Communication must be successful to achieve organisational effectiveness. Behavioural sciences aid in the improvement of organisational communication. Behavioural sciences assess the transmission of information and how it functions in interpersonal dynamics. Organizational behaviour examines the factors that influence communication in order to improve its effectiveness.

(d) ORGANIZATIONAL CHANGE AND DEVELOPMENT:

Individual change and development necessitate organisational development. As a consequence of social, technological, political, and other environmental circumstances, organisations must evolve. Behavioural science expertise is used to successfully manage organisational change and development. Employees can be properly educated and change can be implemented via group dynamics and effective communication. The advantages of change should be emphasised, and knowledge should be communicated with everyone who will be affected by it.

(e) ORGANIZATIONAL CLIMATE:

The sum total of all organisational situations influencing human behaviour is referred to as organisational climate. Rather than focusing on building physical working conditions or increasing employee satisfaction by changing secluded work processes, organisational behaviour considers the entire climate of the organisation.

The establishment of an ambience of effective oversight, the ability to achieve personal goals, positive relationships with co-workers, and a sense of success are all examples of organisational climate. Thus, organisational environment affects human behaviour from a systems approach. Participative leadership, two-way communication, adequate salary, and improved equipment for the task are all examples of organisational behaviour.

1.5 MANAGEMENT SKILLS

For the dept to run effectively and with an efficient and contented workforce, the company's management must have exceptional organisational abilities. These are the

1. PROFESSIONAL DEVELOPMENT:

In the field of professional growth, the manager requires organising skills for both his workforce and himself. Observing his employees' responsibilities and abilities will aid in the establishment of professional development programmes. Organizational skills, on the other hand, are required to keep track of staff talents and duties. In terms of planning his professional development, the manager must also allow for self and discussion with his superior.

2. TIME MANAGEMENT

Managers can use time management to set departmental goals and set objectives to meet those goals on time. Organization skills are developed through activities like as hiring and workforce planning, distributing responsibilities, and determining priorities. In conducting performance reviews, time management is also crucial.

A manager's capacity to execute duties and motivate his personnel to complete their separate tasks is required to meet department goals. Time management and organisation abilities will aid in determining who will be assigned specific duties.

3. INTERACTION WITH THE EXECUTIVE LEADERSHIP

The management and executive leadership must communicate on a regular basis. Concerns such as departmental efficiency, goals, objectives, workforce issues, and any other challenges she faces as a manager should be communicated. Maintaining executive leadership knowledgeable is smart business practise since it allows the company's owner or executive staff to make informed decisions. To communicate to executive leadership each department's position and achievements to the firm as a whole, you'll need communication skills backed up by organisational skills.

1.6 REPLACING INTUITION WITH SYSTEMATIC STUDY

Individual and group behaviour must be studied in order to find crucial components that can help enhance overall work conditions. The methods for doing this type of organisational behaviour study include systematic study, evidence-based management, and intuition.

Employee behaviour can be better understood with intuition. Gut feelings, simple observation, and common sense are all examples of intuition. The main disadvantage of adopting intuitive research

is that it does not provide a complete picture of employee behaviour. Managers may be relying on assumptions rather than seeking confirmation of conduct.

The second sort of observation, known as systematic research, is more scholarly in character. This finding contributes to a more accurate approach of predicting behaviour. To begin with, systematic research presupposes that behaviour follows a pattern and is not random. The patterns can be recognised and cultivated, according to systematic research, to increase individual performance. Examining behaviour, seeking for cause and effect, and looking for particular proof are all ways to accomplish this.

There is a better method; a structured understanding of the concept of behaviour can help you enhance your descriptive and predictive abilities, reveal significant facts and correlations, and give a foundation for making more accurate behavioural predictions.

1.7 FOUNDATIONS OF INDIVIDUAL BEHAVIOUR

Human behaviour is hard to characterize in absolute terms because it is such a complex phenomenon. It is mainly a result of a combination of environmental and internal factors. These responses would represent the person's psychological structure and might be the consequence of a composite of psychological and biological processes. The person evaluates these responses, responds appropriately, and learns from them. The individual contributes to the organisation in a multitude of ways, including effort, talents, ability, time, loyalty, and so on. These contributions are likely to meet the organization's diverse needs and requirements. The organisation rewards the individual with benefits such as income, promotion, and job stability in exchange for their services. Similarly, individual contributions must meet the organization's requirements. If the psychological contract is fair and equitable both to the employee and the organization, the relationship will be satisfied and likely to continue. If either party perceives an asymmetry or inequality in the contract, a revision may be made. A significant challenge Managing psychological contracts is thus a challenge that an organisation faces. If the organisation is capable of taking It takes full advantage of their habits and abilities and precisely meets the needs of the employee. will have found the ideal match between person and job.

The following is one of the factors that influence individual behaviour in an organisation:

1. BIOGRAPHICAL CHARACTERISTICS:

Human beings all share certain genetically determined and inherited features. These are the characteristics that humans are born with. These are the features that cannot be changed; they can only be refined to a certain amount.

The following are detailed descriptions of each of these characteristics:

A) AGE: The link among age and work performance is one of rising productivity. Younger people are psychologically anticipated to be more active, innovative, adventurous, ambitious, and risk takers. Older people are thought to be more conservative, fully defined, and less malleable. While it is erroneous to categorise all elderly persons as unadoptable, biologically, performance varies with age.

Because older adults have fewer stamina, memory, and other abilities, performance falls with age. Younger people are more inclined to shift professions in order to pursue better possibilities, but as one gets older, the likelihood of abandoning a job decreases.

B) GENDER: The question of whether women can do as well as males in the workplace has sparked several discussions, misconceptions, and viewpoints. Traditional beliefs held that men are harder than women and that women are more emotional than men. However, these are stereotyped and unfounded assumptions. According to research, men and women have little, if any, significant differences that influence their job performance.

There are no persistent male-female differences in various areas, such as ability to solve problems, discussion of evidence, competitive spirit, motivation, leadership, sociability, and learning ability. Some jobs, such as nurses and airhostesses, were once thought to be exclusively female domains, although with the progression of time, we now have guys in these professions as well. Similarly, certain vocations previously thought to be exclusively male-dominated, such as piloting and defence, have begun to accommodate women, albeit with significant restrictions

C) RELATIONSHIP STATUS: According to research, having a stable career becomes more desirable and vital as marriage imposes additional duties. When compared to single employees, married employees experience fewer absences, lower turnover, and higher job satisfaction. However, no research has yet discovered the causes.

D) TENURE: The following biographical feature is term or experience. The effect of tenure on work performance is a topic that is fraught with misunderstandings and guesses. Employee productivity is said to be influenced by work experience. According to research, seniority and work performance have a good association. Furthermore, research show a negative link among seniority and absenteeism.

2. ABILITY:

Abilities refer to a person's ability to do well in one or more activities, such as physical, mental, or interpersonal labour.

"Workability is not about whether people want to continue working, but whether they believe they can continue working at their jobs," said Alyssa McGonagle, a psychology professor at Wayne State University.

Finally, we can define ability as the characteristic or state of being able, the power to do whether physical, mental, moral, or intellectual, competence in doing, strength, resources, and so on.

A) INTELLECTUAL ABILITIES:

The power to think, reason, and solve problems is referred to as intellectual ability. It usually refers to the capability assessed through an intelligence test. It's also occasionally used when discussing someone's performance in an educational or real-world scenario. Number aptitude, understanding, perceptual quickness, and reasoning tests are all key factors in determining intellectual capacity. Some significant occupations or assignments require passing an admission test.

B) PHYSICAL ABILITIES:

Physically ability is the ability to perform tasks that require endurance, strength, and other related qualities. It can identify those who are physically capable of performing a job's fundamental functions without endangering others. Physical capabilities related to the quality of physical tasks have been established through research into the needs for hundreds of vocations. This can be accomplished by smart personnel selection or a mix of recruitment and training.

C) THE ABILITY - JOB FIT

Ability job fit is the fit of both a probable individual's abilities and the needs of a work. The compatibility can also be defined as a match between a candidate's desires and the job

requirements. This model indicates that when employees and work surroundings are in perfect rhythm, work performance, self-satisfaction, and outcomes improve.

Ability-job fit, according to research, enhances job satisfaction, reduces job stress, and increases employee retention, punctuality, and performance. In comparison to unstructured methodologies, studies have shown that standardised and validated criteria for determining ability-job fit contribute to efficient staff selection and good performance.

3. LEARNING:

Learning is the process of acquiring new behaviour. It is widely accepted that learning entails changing one's behaviour, practising new habits, and making the change permanent. Any irreversible change in a person's behaviour that comes as a result of experience is referred to as learning. If an individual responds, interacts, or responds completely differently of experience than he did previously, learning has occurred. Learning has a significant impact on organisational behaviour since it transforms people's behaviour.

Education and training cause changes in behaviour, attitude, practise, and experience. This is attained by the acquiring of relatively permanent information and abilities.

Definitions of Learning by Different Authors

- 1. Gales and others:** *“Learning is the modification of behaviour through experience and training.”*
- 2. J.P. Guilford:** *“Learning is any change in behaviour, resulting from behaviour”.*
- 3. H.J. Klausmeir:** *“Learning is a process whereby a change in, behaviour results from some of experience, activity, training, observation and the like”.*
- 4. Munn N.L.:** *Learning is 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.*
- 5. Steers and Porter:** *Learning can be defined as relatively permanent change in behaviour potentially that results from reinforced practice or experience.*

FACTORS AFFECTING LEARNING:

Learning is based on a few important aspects that determine what changes this experience will bring about. Motivation, practise, surroundings, and mental group are the essential components or major factors that influence learning.

1. **MOTIVATION:** It is defined as the encouragement and assistance received in order to finish a task or achieve a goal. It is a crucial part of learning since it provides us with the motivation to accomplish a task.
2. **PRACTICE:** We've all heard the saying, "Practice makes perfect." It is critical to practise what we have learned in want to be a superior or at the very least complete the work.
3. **ENVIRONMENT:** Environment Humans learn from our environment and from the individuals we interact with. Internal and exterior environments are the two sorts of environments.
4. **MENTAL GROUP:** Mental group refers to the group of persons with whom we select to spend our time. Simply put, we form a group of individuals with whom we have a connection. It could be for a social purpose where people with similar mind sets work together.

THEORIES OF LEARNING:

Certain principles that explain human behaviour can help us understand learning more clearly. Some noteworthy theories include: –

1. **CLASSICAL CONDITIONING:** Whenever a conditioned stimulus is combined with an unconditioned stimulus, classical conditioning occurs. The conditioned stimulus (CS) is usually an unbiased stimulus such as the noise of a tuning fork, the unconditioned stimulus (US) is biologically effective such as food taste, and the unconditioned response (UR) towards the unconditioned stimulus is an unlearned reflex response such as salivation or sweating.

When the conditioned stimulus is provided alone, an individual demonstrates a conditioned response (CR) to the conditioned stimulus once this coupling procedure is repeatedly (for example, some learning may already occur with a single coupling). The conditioned reaction is comparable to the unconditioned response in most ways, so unlike the unconditioned response, it must be learned by experience and is short-lived.

2. OPERANT CONDITIONING THEORY: Instrumental conditioning is another name for operant conditioning. This principle describes a knowledge acquisition in which a person's behaviour is affected or controlled by the consequences of their actions. Operant conditioning is another kind of conditioning. We realize that a specific behaviour is frequently accompanied by a rewards and punishments. B.F. Skinner, a Harvard psychologist, did for operant conditioning that which Pavlov accomplished for classical conditioning. According to operant conditioning, one's conduct is influenced by a range of circumstances. People will consistently act in a certain way that will benefit them. They will, furthermore, endeavour to avoid behaviours that will result in nothing. Skinner proposed that associating pleasurable consequences with specific types of conduct would increase their frequency. Consider the case of a child. A kid can learn how to open the box to acquire candies inside or how to stay away from a hot stove. Classic conditioning, on the other hand, establishes a link in between behaviour and stimulus. A kid may learn to quiver by gazing at candy or observing an upset parent, for example. These two forms of learning were the focus of animal learning research in the twentieth century, and they remain at the heart of behavioural analysis today.

3. COGNITIVE LEARNING THEORY: Cognition refers to a person's thoughts, ideas, knowledge, interpretation, and understanding of himself and his surroundings.

Learning, according to this notion, is the result of purposeful thinking about an issue or circumstance based on existing facts and responding objectively and more orientedly. It believes that individuals learn the meanings of numerous objects and experiences, as well as the responses associated with those meanings.

This theory contends that the learner creates a cognitive framework in memory that organises information about numerous events.

4. SOCIAL LEARNING THEORY: Observational learning theory is another name for social learning theory. This idea stresses learning from others' experiences. The following are the basic assumptions of social learning theory: –

1. Learning seems to be a cognitive condition that happens in a social setting, not a behavioural process.
2. Observing a behaviour and the repercussions of that behaviour can lead to learning.

3. Learning entails seeing, getting data from those observations, and making behaviour-related judgments. As a result, learning may entail more than just a change in behaviour.
4. While reinforcement is vital in learning, it is not the main cause of learning.
5. The user is not merely a passive receiver of data. Understanding, environment, and behaviour are all influenced by one another.

1.8 TEST YOUR UNDERSTANDING (B)

1. Explain Organization and its functions.
2. What do you think the main functions of organizational management?
3. Describe roles and skills of management.
4. How do you think to replace intuition with systematic study?
5. Explain foundation on individual behaviour.

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SEMESTER 1
COURSE: ORGANIZATION THEORY AND BEHAVIOR

UNIT 4: ATTITUDE AND VALUE

STRUCTURE

4.0 Objective

4.1 Introduction to Attitude

4.1.1 Definition of Attitude

4.1.2 Nature of Attitude

4.2 Components of Attitude

4.3 Formation of Attitude

4.4 Functions of Attitude

4.5 Types of Attitudes

4.6 Attitude and Consistency

4.7 Cognitive Dissonance Theory

4.7.1 Culture and Cognitive Dissonance

4.7.2 Reducing Cognitive Dissonance

4.8 Measurements of Attitude

4.9 Measuring the A – B relationship

4.9.1 Determinants of the Attitude- Behaviour Relationship

4.10 Attitude and Workforce Diversity

4.10.1 Features of the Workforce Diversity

4.10.2 Importance of the Workforce Diversity

4.11 Test Your Understanding

4.12 Introduction to Value

4.12.1 Definition of Value

4.12.2 Importance of Value in workplace

4.13 Types of Value

4.14 Values, Loyalty and Ethical Behaviour

4.15 Values Across Culture

4.16 Test Your Understanding

1.0 OBJECTIVES

After studying the Unit, students will be able to

- Define the Meaning of Attitude and Value.
- Explain the nature and types of Attitudes and Value.
- Explain the importance of Attitude and Value in context of Organisation work culture.
- Explain the theory of Cognitive Dissonance.
- Explain the Importance of Workforce Diversity.
- Explain the relationship between values, loyalty and ethical behaviour.

1.1 INTRODUCTION TO ATTITUDE

Attitude denotes to the expression of feelings, belief and action that can be positive, negative or mixed about objects, people and events assessed with a certain degree of strength. Attitude is the reflection of once feelings and thought or a say of our social environment at a certain point of time. When you say, “I am comfortable with the night shift timings of my job” you are expressing your attitude towards the timing of your working hours.

Attitude is a complex reflection of expressions; it varies from person to person and their environment. It is an important aspect for the management of an organization in assessing and

establishing the job satisfaction among its employees. It can also help in developing the understanding between different level of management.

Attitude defined by few authors are:

Frank Freeman said, "An attitude is a dispositional readiness to respond to certain institutions, persons or objects in a consistent manner which has been learned and has become one's typical mode of response."

According to N.L. Munn, "Attitudes are learned predispositions towards aspects of our environment. They may be positively or negatively directed towards certain people, service, or institution."

"Attitudes are an 'individual's enduring favourable or unfavourable evaluations, emotional feelings, and action tendencies toward some object or idea." — David Krech, Richard S. Crutchfield, and Egerton L. Ballackey.

"Attitude can be described as a learned predisposition to respond in a consistently favorable or unfavourable manner for a given object." — Martin Fishbein and Icek Ajzen.

"An attitude is a relatively enduring organization of beliefs around an object or situation predisposing one to respond in some preferential manner." — Milton Rokeach.

From the aspect of above definitions, the nature of attitude derived as:

4.1.2 Nature of Attitude

- Attitude is complex to understand as it can be differing from individual to individual even for the same social environment.
- Attitude refers to feelings and opinion, words like "like," "dislike," and "truly don't care" are commonly used. These words convey a mood.
- Attitude derives and influences the actions and behaviour of an individual towards his social environment
- Attitudes are core to an individual
- All people hold attitude despite of their age, status or intelligence

- Attitude can develop anywhere in a shape of opinion, whether you are associated with it or not. For example, “working in MNCs gives you a better experience” “this political party is corrupt”.
- Attitude can be influenced by the various external opinions or factors. Such as, if your friend or relative dislike the night shifts of their office hours, eventually you will also dislike it, even without experiencing it.
- The degree of expression of feeling, whether positive or negative is also important to assess for the management in making policies.
- attitudes are long-lasting. Although attitudes might shift as a result of new information or persuasion, they are usually considered a manifestation of a rather steady body of knowledge and experience with a particular thing, person, or topic, rather than a transitory judgement.

So, we can conclude that, attitudes have a critical role in shaping our views of and actions toward all areas of our social environment. Attitudes are made up of a complicated web of evaluative ideas, sentiments, and proclivities toward specific acts, which can help management in dealing with human resource.

4.2 COMPONENTS OF ATTITUDE

Generally, attitude is composition of three elements. They are:

- A) Cognitive (what you believe)
- B) Affection (how you feel)
- C) Behavioural (how you are supposed to act)

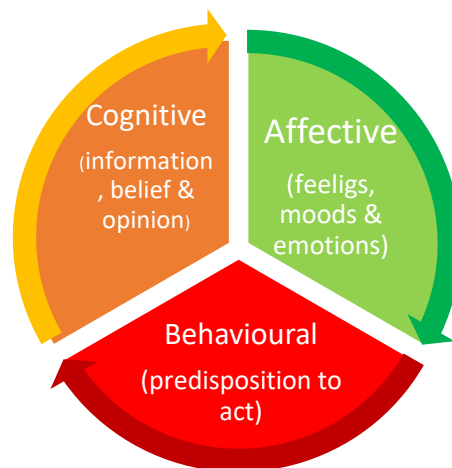


Figure: components of attitude

a) Cognitive component: this component of attitude is based on the value and belief. An individual draws its opinion on the basis of idea or on his belief. If a manager believes in efficiency, he would like to encourage the efficiency in the job.

b) Affective component: this component is related to individual's feelings towards any other person or object or any other event. It can be favourable or unfavourable. Affection determines the attitude of a person which is majorly on the basis of the feelings, mood or emotions. From the above example we can say that, manager like Aayesha because she is efficient in her work.

c) Behavioural component: this component of attitude is the reflection of above two components of the attitude. The reflection of the attitude in our social environment drives the act or behaviour of an individual. As manager likes the Aayesha because she is efficient in her work, he will give reward or incentives to her for her performance.

An attitude is a summary of an attitude structure, which consists of these interconnected components. These three components are worked together and drives the attitude. In general, we anticipate all three components to be in sync with one another, i.e., moving in the same direction. However, such consistency may not be found in every circumstance. As a result, anticipating one component based on the other two may not necessarily provide the most accurate picture of an attitude.

4.3 FORMATION OF ATTITUDE

The transition from having no attitude toward something to having a good or negative attitude toward it. The way you acquire an attitude has a significant impact on how you use it. According to social psychologists, attitudes can be developed through social environment such as simple experience, learning, social comparison, occupation, mass communication and inheritance.

Self-experience: attitude can develop with the direct experiences of the one with the several events, that can be favourable or unfavourable. Attitude generated by direct exposures are hard to change in short run. For example, employee has formed an attitude of getting incentives or appraisal for efficient performance from the previous experience.

Learning to Form Attitudes: The early theorists of attitude development thought that attitudes are taught using the same principles as other learned responses, namely, that attitudinal reactions are spontaneously reinforced through **classical and instrumental conditioning processes**.

However, recent developmental theories have begun to argue that reinforcement's influence on behaviour is moderated by its formative and motivational functions. As a result, it appears likely that attitudes are formed or learned in some way as a result of an individual's interactions with others and their environment.

Classical Conditioning: on the basis of learning principles attitude formation can be understood. People came to like or dislike new objects or events as a result of classical conditioning because they are connected with social environment they already like or dislike. A few of the behavioural elements of attitudes and prejudice may be established through classical conditioning. For example, if a child has seen his elders don't like certain people because of their certain behaviour or community, he will also generate certain negative attitude towards them without any personal experience.

Instrumental conditioning: In the development of attitudes, the socialisation process is equally significant. We learn through reinforcement of our actions in early childhood. Children pick up on the attitudes that their parents find acceptable. They learn to engage in actions that produce positive outcomes while avoiding those that have negative effects. Instrumental conditioning is the term for this type of learning.

Observation Learning: Parents may have no intention of conveying their beliefs to their children, but youngsters will show the behaviour and views simply by observing everyone around them. This process is known as observational learning, and it appears that observational learning plays a significant part in attitude formation. Children frequently learn to do what their parents do, rather than what they ask. Our contact to the mass media—television, magazines, films, and so on—is responsible for much of our learning and attitude formation. Peer pressure is also a significant factor in developing attitudes.

Family and Peer Groups: An individual's mindset may be shaped by the persons with whom he comes into direct touch. He will most likely have similar feelings about the object or incident. A range of strategies, including social learning, are used to shape attitudes. One of these tactics is social comparison. We occasionally check our points of view with those of others to see if they coincide with one another, and if they do, we conclude that our ideas are correct. As a result, this attitude-building strategy is based on the premise that if others agree with you, it must be correct.

Economic status and Occupation: the attitude towards the management and union developed in this stage. The opinion and belief about certain policies, rules and regulation of working place also generate from the working environment. Economic status influences the attitude towards certain policies which sometimes also influence our future attitude as well.

4.4 FUNCTIONS OF ATTITUDE

Social attitudes can often help them adjust to their new workplace. Employees that are treated well have a better attitude toward individual and organization. Employees who are reprimanded and underpaid are more likely to harbor negative feelings toward management and the organization. These attitudes help employees acclimatize to their environment and set the tone for future behavior. People are guided away from unpleasant or undesirable objects and toward delightful or rewarding ones by the adjustment function. It adheres to the utilitarian principle of maximisation of benefit and minimization of punishment. One of the most fundamental reasons why people adopt attitudes and stick to them is that attitudes serve a particular set of purposes. That is, attitudes are inherently useful. According to the functional approach to attitudes, attitudes are generated to meet present demands. The basic functions of attitudes are discussed under the areas below.

Adjustment function: Having a positive attitude might assist individuals adjust to their new work environment. Employees who are treated well are more likely to have a positive attitude toward management and the company. Employees are more prone to acquire a negative attitude toward management and the business if they are berated and offered minimum compensation increases. Attitudes aid people in achieving desired outcomes, such as rewards, or avoiding unpleasant outcomes, such as punishment. As a result, it's considered that people have positive feelings toward attitude things that meet their particular requirements, and negative feelings toward objects that cause dissatisfaction or negative reinforcement. These attitudes aid employees in adjusting to their surroundings and serve as a foundation for future behaviour.

The Ego- Defensive functions: Attitudes assist employees in adjusting as well as defending their self-image. For example, an older manager whose judgments are frequently challenged may believe that his younger colleague is brash, impulsive, immature, and inexperienced. At this point, attitudes originate within the individual, and the things and situations to which they have been connected are simply conduits for their expression. By enabling the projection of these sensations onto other people or groups, we can maintain favourable attitudes toward the things that project us

away from the painful realities about ourselves or towards our group. A person who portrays hate against a minority in designed to safeguard oneself from feelings of inadequacy is an example.

The value expressive function: The worth For example, a manager who firmly believes in the work ethic would tend to voice sentiments against specific individuals or work methods as a way of reflecting this value. You've have to work harder, says a boss who wants an employee to work hard. The expressive function aids individuals in adopting and internalising the values of a new group they have recently joined, allowing them to better relate to it. People have a strong need to convey opinions that represent their core values or aspects of their identity. When you believe strongly in the value of human rights, for example, it can be extremely satisfying to declare your opposition to laws that impose capital penalty. This type of attitude is mostly intended to confirm the legitimacy of one's own self-concept. and less effective in impressing others. Nonetheless, the latter goal is a crucial function of attitude expression.

The knowledge function: While this mindset may not be based on reality, it might help a person relate to management. As a union organiser, for example, attitudes help manage and make sense of the world around them by providing rules and reference points. A negative attitude toward managers. As a result, the union leader sees whatever management say as a bunch of lies, an intentional total annihilation of the truth, or possibly an attempt to sway the employees. Regardless of how correct a person's worldview is, attitudes toward people, events, and objects aid the individual in making sense of what is happening.

4.5 TYPES OF ATTITUDES

1. Job satisfaction refers to a person's level of happiness at work. This sensation is primarily based on a sense of fulfilment. A person who is content with their employment has a positive attitude toward work, whereas someone who is dissatisfied with their job has a negative attitude toward work. A negative attitude leads to anxiety, stress, impatience, and stress, among other things, whereas a positive attitude leads to satisfaction with oneself, others, and one's work. Job satisfaction is often associated with a positive attitude toward work, and vice versa. When people discuss employee attitudes, they frequently refer to job satisfaction. They're often used interchangeably. People with a pessimistic view have a temperament prone to anxiety, tension, impatience, and pain, among other things. People who have a good attitude may be satisfied with themselves, others, and their work. A person who identifies psychologically with his job and

regards it as crucial to his self-esteem. They discovered that more job engagement was linked to lower absenteeism and layoffs.

2. Job Involvement: The degree to which a person identifies (psychologically) with their job, actively engages, and believes that their perceived performance is vital to their self-esteem is referred to as job engagement. The degree to which a person mentally identifies and is accounted for is referred to as involvement. The employees with high degree of involvement and least degree of involvement can easily identified. The employees with high self-esteem have positive attitude towards their work, which influence them to maximum involvement in their work.

3. Organizational Commitment: The attitude toward work eventually shows the organization's dedication. It is believed that you associate with your company and are proud to work for it. It's defined as a situation in which an employee recognises a specific group and its objectives, and the organisation wishes to keep its members. Several studies have shown that an individual's level of organisational commitment is a better predictor of income than a much more often used work satisfaction predictor, explaining how the degree of changes occur. When employees are devoted to the organisation, absenteeism and turnover are low.

4. Organizational Support as Perceived (POS): The degree to which employees perceive their employer recognises their efforts is measured by perceived organisational support (POS). Often Seem Support also demonstrates how the company cares about its employees' well-being and how it can address their socio-emotional requirements. The organisational support hypothesis created by Robert Eisenberger, an American professor of psychology and management, and Linda Rhoades Shanock, an American organisational psychologist, among others, gave rise to Perceived Organizational Support. Perceived Organizational Support, in general, helps to a positive exchange dynamic with employees; if an employee has a positive perception of the organisation, their efforts and performance will improve. This is due to the fact that, regardless of the type of reward, employees perform better following receiving it.

4.6 ATTITUDE AND CONSISTENCY

Attitude and behaviour consistency is defined as the degree to which an individual's actions are influenced by their mental state in relation to an item. Positive attitudes, for example, are linked to approach actions, while negative attitudes are linked to withdrawal behaviours. As a result, human beings' attitude and behaviour consistency can be tested by determining whether they conduct in a

manner that is consistent with their attitudes. A lot of studies have been conducted to determine the relationship between an individual's attitude and behaviour (Weiner, Millon & Lerner, 2003). Several research have identified one sort of reasoning based on attitudes as the primary cause of increased attitude-behaviour consistency. Several research have identified one sort of reasoning based on attitudes as the primary cause of increased attitude-behaviour consistency. The other investigating explanations for feelings, on the other hand, are thought to be crucial in lowering consistency. The discrepancy between the two conclusions is arguably due to the distinct forms of introspection conducted. Dissimilarities between research, such as the prior accessibility of an attitude, might potentially cause a difference.

4.7 COGNITIVE DISSONANCE THEORY

In 1957, psychologist Leon Festinger proposed the cognitive dissonance theory. According to Festinger, cognitive dissonance happens when people's beliefs and feelings contradict their actions, resulting in an uneasy, discordant experience. People who are experiencing cognitive dissonance may strive to alleviate their discomfort in unusual or unanticipated ways. According to psychologists, when our activities impact how we see ourselves, we are more prone to experience cognitive dissonance, and we will have difficulty justifying why our actions do not match our beliefs. People are very motivated to try to lessen their dissonance because it is such an unpleasant sensation. Festinger even goes so far as to suggest that lowering dissonance is a basic need: someone who is experiencing dissonance would want to alleviate it in the same way that someone who is hungry will feel compelled to eat. According to psychologists, when our activities impact how we see ourselves, we are more prone to experience cognitive dissonance, and we will have difficulty explaining why our actions do not match our beliefs. To achieve stable form of behaviour, an individual tries to reduce the dissonance by correcting the action. For example, who believes in punctuality, will try to come on time to the office.

4.7.1 Culture and Cognitive Dissonance

Many psychological studies select subjects from Western countries (North America and Europe), according to psychologists, and this disregards the perspective of people who live in non-Western cultures. In reality, cultural psychologists have shown that many phenomena that were long thought to be universal may be peculiar to Western countries. What's the deal with cognitive dissonance? Does cognitive dissonance affect persons from non-Western cultures as well?

According to research, persons from non-Western cultures do experience cognitive dissonance, but the situations in which they experience it vary depending on cultural norms and values. In a study conducted by Etsuko Hoshino-Browne and her colleagues, the researchers discovered that European Canadian participants experienced more dissonance when making decisions for themselves, whereas Japanese participants were more likely to experience dissonance when making decisions for a friend, it appears that everyone experiences dissonance at times—but what creates dissonance for one person may not cause dissonance for another.

4.7.2 Reducing Cognitive Dissonance

We can attempt to lessen the dissonance we feel in a variety of ways, according to Festinger.

Behaviour Modification: Changing one's conduct has become one of the common approaches to deal with dissonance. Festinger, for example, suggests that a smoker might deal with the gap between their knowledge (that smoking is unhealthy) and their conduct (that they smoke) by quitting.

Environmental Changes: People can sometimes lessen dissonance by altering their surroundings, particularly their social context. Someone who smokes, for example, may prefer to hang out with other smokers rather than people who have negative attitudes toward cigarettes. In other words, people may deal with dissonance by enclosing themselves in "echo chambers" where their viewpoints are affirmed and backed by others.

In search of new information: People can also deal with emotions of dissonance through biased information processing: they might hunt for fresh knowledge that confirms their current activities and limit the exposure to information that makes them feel more dissonant. For example, a tea drinker could seek out studies that show the benefits of tea consumption rather than ones that suggest it has detrimental consequences.

4.8 MEASUREMENT OF ATTITUDE

Attitudes are constructions that cannot be observed directly. As a result, the most typical method of assessing attitudes is to examine some aspect of behaviour and draw conclusions about the attitudes that may be accountable for that action. Many various procedures for people's attitudes have been explored, while self-report surveys are the most frequent. In general, an attitude scale or survey will present the subject with a series of items to which she or he must react, and the

investigator will draw inferences about that individual's attitudes based on those responses. Attitude surveys, physiological and behavioural observation measures are among the tools used.

Attitude survey: aims to study and assess the attitudes of consumers (both users and non-users) toward a specific product/service/idea. Such an attitude survey is frequently conducted with target consumers in mind, with the respondent profile well defined. An attitude survey allows a company to gain insight into the many attitudes that customers have regarding a product, service, or category. This is the most prevalent method for determining attitudes. The investigators deliver a questionnaire or ask a series of questions over the phone in an attitude survey. By answering a series of questions, a respondent demonstrates his or her attitude. These inquiries can be open-ended or closed-ended. The open-ended questions allow the respondent to express himself or herself.

Physiological Measurements: Physiological reactions are a reflection of emotional ones (skin response, pulse rate, dilation of the pupils etc.). As a result, looking at physiological reactions to identify more objective attitude indicators makes sense.

Skin

Galvanic Response: The Galvanic Skin Response is the most essential key indication of attitudes (GSR). The GSR measures the skin's electrical resistance, which fluctuates as people's emotions vary. As a result, the GSR can be used to evaluate a subject's emotional response to an attitude object. **The face Electromyogram (EMG)** is an objective attitude indicator that can be used to assess the quality or direction of an individual's attitude (positive or negative). The difference between good and negative attitudes can be detected using facial EMG. When people hear a statement in which they concur rather than disapprove, the EMG activity in one set of muscles increases while the activity in another set decreases. The majority of these alterations are invisible to the human eye. In practise, physiological tests of attitudes are rarely used. One cause could be the insensitivity of most instruments to the strength of an attitudinal response, as indicated above. Another key reason is the requirement of using technological devices that are difficult to use in field sittings.

Behavioural indicators: From open, visible behaviour patterns, these methods construct attitude metrics. The subjects are usually aware that they are being monitored in most behaviour studies. The subjects are monitored without their knowledge in non-reactive measuring, or, even more indirectly, certain of their behaviour patterns are examined.

Cognitive Measurement: A new test has been developed in recent years to tap our implicit attitudes, self-concepts, and other critical parts of our cognitive system. The term implicit refers to mental associations that are largely automatic. The Implicit Association Test (IAT), created by Greenwald, McGhee, and Schwarz, is the most well-known implicit measurements test (1998).

Implicit attitudes are attitudes that we have but are unaware of, making it impossible to report them directly. Only indirect methods can be used to measure these implicit attitudes. The purpose of the IAT is to determine the strength of the link between the two concepts.

4.9 MEASURING THE A-B RELATIONSHIP

An attitude is a hypothetical construct, which means that while its effects can be witnessed, the attitude itself cannot. A single-dimensional concept is attitude: An individual's or object's attitude might range from extremely favourable to extremely unfavourable. We either like or despise something (or we are neutral). Something is either enjoyable or unpleasant. The attitude can be assessed across a single assessment continuum in all circumstances. Attitudes are thought to be linked to subsequent action.

When moderating variables are taken into consideration, recent research shows that attitudes (A) predict behaviours (B). Because attitudes influence behaviour, understanding them can help us predict people's actions in a variety of situations. Because we have attitudes toward individual people, such as whether we like or loathe them, understanding of attitude can be quite useful in our interactions with them.

4.9.1 Determinants of the Attitude- Behaviour Relationship

La Pierre noticed contradiction between expressed opinions and observed behaviour for numerous causes, according to subsequent study. Let us discuss them:

1. **Specificity:** To predict behaviour, both attitudes and behaviours must refer to the same level of detail. The action that was tested in La Pierre's study was particular (would you serve the Chinese couple), but the attitude that was later assessed was broader (would you serve this Chinese couple), but the attitude that was later evaluated was wider (i.e., would you serve the Chinese people in general). As a result, it's not unexpected that such broad sentiments are unrelated to individual acts. As a result, your general attitude toward your abilities in psychology does not always predict overall performance in a specific component of

psychology. As a result, observing a relationship between attitudes and behaviour necessitates assessing both at the same degree of details.

2. **Time:** the longer the period between attitude measurement and behaviour measurement, the more probable the attitude will change and the two will become mismatched. Fishbein and Coombs (1974) found that the association between attitudes and voting behaviour was stronger one week before an election than one month before an election.
3. **Self-Awareness:** People can have various levels of self-awareness, which can affect the strength of the link between attitudes and behaviour. People who are personally self-aware act in accordance with their own attitudes, whereas those who are publicly self-aware act in accordance with the attitude they believe the majority of other people have, particularly when there is an audience present.
4. **Accessibility of Attitude:** An attitude is readily accessible if it comes to mind immediately. A very approachable attitude is also likely to elicit behaviours that are in line with it. The accessibility of attitudes can be measured by the speed with which people respond to queries on the attitude object: the speed with which people respond predicts later behaviour. Because the strength of conviction is measured by attitude accessibility, attitudes with high accessibility will be stronger predictors of conduct than attitudes with low accessibility.
5. **Strength of Attitude:** Attitude strength is connected to the notion of attitude accessibility. As one might think, the more powerful one's beliefs are, the more likely they are to impact conduct. While one could expect strong attitudes to be more accessible (because they are the ones that come to mind most frequently), this is not always the case. The attitudes can be held with a strong conviction or with a weak conviction, regardless of how easily they can be recalled to mind. For example, a news story may bring euthanasia issues to the forefront, creating public debate not only in that particular area but also in non-related groups.

People's attitudes on this problem have therefore become contextually available, but they can still differ in the degree to which they have strong beliefs on the subject. Information, personal participation, and direct experience with the attitude object are three factors that can influence attitude strength and consistency. More knowledge about an attitude object can lead to greater attitude strength and behavioural consistency.

4.10 ATTITUDE AND WORKFORCE DIVERSITY

Workforce diversity refers to an organization's ability to assemble a diverse group of employees. People of various races, social statuses, sexual orientations, genders, ages, faiths, and other differences will be included. In simple terms, it indicates that people with diverse personalities and skills, such as extroverts and introverts, would approach circumstances differently. In an ideal world, a company's staff would be made up of the above, with the strategy of having varied employees aligned with the overall organisational values and goals.

Managers are becoming increasingly concerned about altering employee views regarding racial, gender, and other diversity issues. A complement to a co-worker of the opposite sex 20 years ago, for example, could have been misinterpreted. A male telling a female co-worker that her shoes are sexy, for example, may be a career-limiting incident nowadays. As a result, businesses are spending on training to help employees change their mindsets.

Hiring people from various backgrounds is the first step in creating a diverse team. Companies should not consider tokenism when it comes to diversity, where one employee is hired from one group while others are hired from another. It is not only unhelpful, but it also comes across as superficial, which can lead to employee dissatisfaction. As a result, align your employment approach with your entire business objectives. Hiring people from a specific group, for example, might help a company succeed in new endeavours such as expanding into a new market or offering a new product. Building a diverse workforce will be difficult, therefore the company must learn from its failures and keep trying.

4.10.1 Features of the Workforce Diversity

- Workforce diversity strives to motivate individuals to reach their full potential;
- Workforce diversity will contribute to the achievement of company goals; and
- Workforce diversity eliminates all forms of prejudice.
- Workforce diversity necessitates the establishment of an organisational climate in which people of various cultural, social, and demographic backgrounds (gender, age, education, etc.) may coexist and collaborate.

4.10.2 Importance of Workforce Diversity

Dealing with a Wide Range of Customers: A culturally diversified workforce will have a greater understanding of the needs, feeding habits, and behaviours of culturally different customers. As a result, worker diversity improves the company's ability to deal with a market that includes a variety of customer groups based on culture, age, sex, and other factors.

Make better decisions: People from various backgrounds may be able to assist management in making better decisions by providing comments from various viewpoints and orientations. A diverse group of people can be more imaginative and creative when they combine their knowledge and experiences and agree on a common solution to a difficult problem, which can aid management in making the right decisions for their company.

Improved Relationships: Workforce diversity attempts to create and maintain a common organisational environment and culture that allows employees of many backgrounds and cultures to work together peacefully. Such a climate and culture in the workplace fosters stronger relationships and increases overall managerial and organisational efficiency.

Managing Employee Turnover: Women and other dissatisfied employees will be discouraged from leaving your organisation if your workforce is diverse. Otherwise, if there is a high rate of labour turnover due to a lack of variety in the workforce, the company's human investment may be wasted, with negative effects. Employees will leave a company if they do not feel safe or cared for by the management.

Increasing Goodwill: Organizations with the most diverse workforces foster social goodwill. As a result, talented and skilled people from all cultures and origins are drawn to seek suitable jobs. The shortage of trained, creative, and skillful human capital is not a problem for these businesses. If you can value different cultures, views, traits, and experiences, you'll be on your way to a more varied and stronger staff that will grow with your company.

4.11 TEST YOUR UNDERSTANDING (A)

1. what do you understand by Attitudes? What are their major functions?

2. Discuss how the understanding of Attitude is useful in managing different work culture of the Organizational.

3. Do you think it is possible to change attitude? If yes, what are the ways?

4. Fill up the Blanks.

- a) Attitude can beor
- b) Workforce diversity refers to an organization's ability to assemble group of employees.
- c) Anis frequently conducted with target consumers in mind, with the well-defined respondent profile.
- d) People came to like or dislike new objects or events as a result of

4.12 VALUE

Values are views about what is desired and "good" (press freedom), as well as what is undesirable and "bad" (dishonesty). Value is the fundamental belief that "one mode of action or end state of life is individually or socially superior to the opposing or converse form of conduct or end state of existence." "You need to work harder, that has been the custom and tradition of the organisation and reason for being in the present position," a manager who believes strongly in work ethics would tend to communicate attitudes toward workers or work practises as a manner of reflecting this value. The elements of value are content and conviction. An individual's values usually indicate the moral side of his personality. These include his opinions on what is good and wrong, as well as what should and must not be done. These are some of the values that are instilled in people from an early age. "The best policy is honesty." "A worker must be truthful to his work" are valuable statements. "Honest workers are good," is an evaluative remark that reflects a person's

attitude toward honest workers. Values might be considered one of the factors from one's attitudes. Because of his principles, "A worker must be honest to his work," an individual thinks an honest worker to be good. Moral

notions, general conceptions or orientations toward the universe, or simply interests, attitudes, preferences, needs, sentiments, and dispositions have all been used to define value.

Some common business values are fairness, innovations and community involvement.

According to M. Haralambos, "A value is a belief that something is good and desirable".

According to R.K. Mukherjee, "Values are socially approved desires and goals that are internalized through the process of conditioning, learning or socialization and that become subjective preferences, standards, and aspirations".

According to Zaleznik and David, "Values are the ideas in the mind of men compared to norms in that they specify how people should behave. Values also attach degrees of goodness to activities and relationships"

According to I. J. Lehner and N.J. Kube, "Values are an integral part of the personal philosophy of life by which we generally mean the system of values by which we live. The philosophy of life includes our aims, ideals, and manner of thinking and the principles by which we guide our behaviour"

According to T. W. Hippie, "Values are conscious or unconscious motivators and justifiers of the actions and judgment"

In the context of Organisational Behaviour, values are collective perceptions of what is deemed good, desirable, and right or bad, unwanted, and improper in a society. In the study of human behaviour science, value is crucial. In the workplace, value will determine attitude and human behaviour. The productivity of an organisation is heavily influenced by its culture. The value system followed by all employees shapes the culture. If advancement is contingent on performance, employees will work harder. On the other hand, if promotion is based on seniority, the individual's efficiency will be severely lowered. As a result, value and culture play a critical influence in employee motivation and productivity.

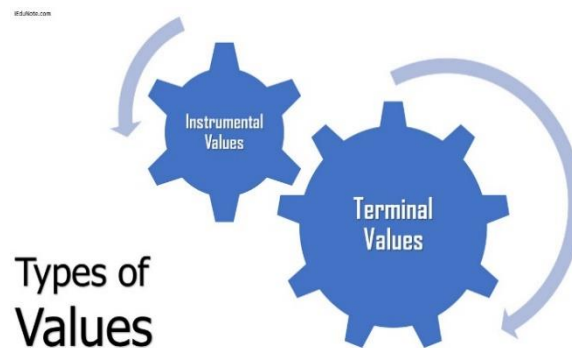
4.12.2 Importance of Value in workplace

- Value shapes our perception and is the foundation for understanding the amount of motivation.

- Value assists in determining what should or should not be.
- It includes interpretations on what is right and wrong.
- These have an impact on attitudes and conduct.
- It suggests that certain behaviours are preferred over others in terms of consequences.
- These allow members of an organisation to work together in harmony. These make it feasible to achieve goals that would otherwise be impossible to achieve on one's own.
- These are achievement goals that inspire, define, and colour all of our cognitive, emotive, and connective behaviours.
- They are our life's compass, pointing us in the direction of who we want to be.
- Values can not only guide but also inspire and encourage a person, providing them with energy and a desire to live and do something worthwhile.

These can assist identify whether a person is enthusiastic about their job and the company, which can lead to above-average profits, high employee satisfaction, positive team dynamics, and synergy.

4.13 TYPES OF VALUE



There are two types of values;

1. Terminal Values: these are the values that we consider to be the most significant or desirable

2. **Instrumental Value:** Instrumental Values are perspectives on how human aspirations should be fulfilled. These values are opinions on suitable conductor modes for reaching terminal values.

Six sorts of values were identified by Allport and colleagues. These are briefly discussed as follows:

- (a) **Theoretical value:** Theoretical worth is linked to the necessity of discovering truth through a reasoned method. The organisation will run itself if all employees follow truth in the real sense. There will be no need for oversight. The British Empire had to leave Indian land because truth is such a compelling virtue.
- (b) **Economic Value:** It emphasises the utility and practicability of resources, as well as individual efforts and the value generated from them. The project can be conducted if it is economically viable (in the broadest sense). Economic value is defined in a broad meaning that is distinct from the issue's economics. When it is considered, it also gives human value to it. It is the human aspect that increases economic worth.
- (c) **Harmony value:** is a sort of aesthetic value. We believe that all job should be completed efficiently and with mutual understanding and collaboration among all human parts. Cordial interactions between various levels of the organisation, effective communication, a conflict-free climate, and a very pleasant work environment are all examples of aesthetic value. Work is done in harmony, peace, and involvement by all in organisations with an artistic value system among employees.
- (d) **Social value:** is linked to people's affection, a sense of belonging, and a 'we' mentality. Such a value is critical in an organisation that brings together people who are united by a sense of belonging, resulting in high levels of motivation and productivity.
- (e) **Political value:** refers to the organization's power and influence. In order to influence individuals, the appropriate people must be placed in the right positions.
- (f) **Religious value:** As the name implies, it is concerned with the display of value that will foster unity and understanding among the members in the organisation through a shared religious platform. This value is no longer emphasised in organisations because a diverse range of people now work in them all over the world. However, based on religious value, the good impact on the work environment in enterprises cannot be overlooked.

4.14 VALUES, LOYALTY AND ETHICAL BEHAVIOUR

Indians have a diverse culture and value system. Children are raised in a suitable environment, particularly in rural areas. However, electronic media has brought western culture to Indians' doorsteps in the last two decades. Indian culture and values are deeply ingrained. The majority of employees are loyal to their supervisors. Indian employees and managerial cadres uphold obedience as a value with zeal. Organizational culture must begin at the top of the corporate ladder. They must demonstrate the proper value system so that their subordinates follow suit. Ethical behaviour at the highest levels is critical. Recent examples of frauds in UTI, the co-operative bank, and other organisations demonstrate a collapse in ethical behaviour. Because politics is so important in the Gujarat riots, the government's executive branch has shown to be useless. This indicates a breach in the organization's ethical norms. In this situation, the police force must act at all costs, displaying a comprehensive value system and acting ethically beyond party politics and making conscientious decisions in order to put an end to the rioting. The government's law and order apparatus has come to a halt due to the breakdown of the value system. As a result, society is suffering. The impact of value and loyalty on ethical behaviour is an issue of great understanding. Every individual must have a strong value system and be dedicated to his or her career. Wherever there is a conflict as a result of external influences, the manager/leader must follow conscious demands. Currently, the industrial scene is worth investigating. Young executives are thought to be committed to their jobs. They routinely change employment due to great income and privileges. Middle-aged managers are committed to their professions because they provide them with a sense of purpose. Due to anticipated pension benefits, the elderly show stronger devotion to the institution. The motive dominates performance in each of the categories. Whatever the scenario may be, dedicated employees with the correct value system will act ethically.

4.15 VALUES ACROSS THE CULTURE

Because cultural values differ, an awareness of these variances should aid in interpreting and forecasting the conduct of personnel from various nations.'

AN ASSESSMENT FRAMEWORK FOR CULTURES Geert Hofstede developed one of the most generally cited methodologies for understanding cultural differences. He pulled over 116,000 IBM

employees in 40 countries about their values at work. He discovered that managers and employees differ on five national culture value dimensions. The following is a list and definition of them:

- Range of power. The extent to which citizens in a society accept unequal power distribution in institutions and organisations. From reasonably equal (low power distance) to significantly uneven (high power distance) (high power distance).
- Collectivism vs. individualism. Individualism refers to a country's citizens' preference for acting as individuals rather than as members of groups. Low individualism is the equivalence of collectivism.
- The distinction between quantity and quality of existence. The degree to which values such as aggressiveness, the acquisition of money and material items, and competition prevail is referred to as quantity of life. The degree to which people value connections and demonstrate sensitive and concern for the welfare of others is measured by quality of life.
- Aversion to uncertainty. The proportion of persons in a country that prefer structured conditions versus unstructured situations. People in countries where uncertainty avoidance is high experience higher levels of anxiety, which appears as increased anxiousness, stress, and aggression.
- Long-term vs. short-term thinking. People in long-term-oriented societies think on the next and value thrift and perseverance. A short-term perspective celebrates the past and present while emphasising tradition and social responsibilities.
- Indulgence vs. restraint - Indulgence is the degree to which people want to enjoy life, have fun, and fulfil natural desires (Materialistic way of life), whereas restraint is the degree to which social norms or spiritual ideals govern gratification of individual needs, desires, and behaviour (Spiritual way of life).

4.16 TEST YOUR UNDERSTANDING (A)

1. what do you understand by Value? How it is important in the context of Organisational Behaviour?

2. Discuss the relationship between Value, Loyalty and Ethical Behaviour.

3. What are the types of Value?

4. Fill up the Blanks.

- a) is linked to people's affection, a sense of belonging, and a 'we' mentality.
- b) these are the values that we consider to be the most significant or desirable
- c) The degree to which people value connections and demonstrate sensitive and concern for the welfare of others is measured by
- d) Harmony value is a sort ofvalue

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COURSE: ORGANIZATION THEORY AND BEHAVIOR

UNIT 5: PERSONALITY AND EMOTIONS

5.1 Introduction

5.2 Definition of Personality

5.3 Determinants of Personality

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5.4.1 Personality Traits

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5.1 Introduction

Personality is the multifaceted set of various factors. The broad meaning of personality is the outside appearance. Though, sheer external appearance does not decide the personality of a person. There are number of factors determines individuals' personality. Interestingly personality is not

developed of your own volition. It is shaped over a period of time. A man is born with certain corporeal and intellectual trait and the environment further shapes his or her personality. Several personality theories have been developed over a period of time to provide an understanding of the personality of an individual. In this unit, the definition and determinants of personality, the personality traits and types, theories of personality and the nature of man have been discussed. It also explains the attributes that influence personality. Further the concept and the applications of emotions in the organisation has been explained.

5.2 DEFINITION OF PERSONALITY

Personality is a key aspect in understanding the human beings that are the most vital resources of an organisation. They provide existence to other resources for the achievement of goals and objectives. Human energy makes all the difference in organisations. Personality determines the human energy. It provides a chance to recognize the individuals and properly direct their energy and motivate them in a proper manner. Personality is the study of the attribute's traits of a human being, the inter associations between them and the way in which a person responds and adjust to other people and situations. Gordon Allport defined personality as the dynamic organisation within the individual of those psychophysical systems that determine his unique adjustments to his environment. Kolasa defined personality as a broad, amorphous designation relating to fundamental approaches of persons to others and themselves. It is the study of the characteristic traits of an individual, relationships between these traits, and the way in which a person adjust to other people and situations. Stephen P. Robbins has defined personality as the sum total of ways in which an individual reacts and interacts with others.

These definitions divulge that the personality has the following characteristics.

- Personality refers to both physical and psychological qualities of an individual.
- It is only one of its kind in the sense that no two persons are same in terms of their personality.
- Personality is the way of adjustment of individual to the organisation, environment and the group.
- It is a qualitative feature. Certain techniques exist to quantify it indirectly.
- Personality is dynamic. It changes with the time and situation.
- Personality is a system. It has input, processing and output mechanisms.
- Personality influence's goal accomplishment and performance of an individual.

5.3 DETERMINANTS OF PERSONALITY

Personality is an intangible concept. It is multifaceted as it is linked to the cognitive and psychological process. It is believed that a man is born with certain physical and mental qualities but the environment in which he is brought up shapes his personality. A number of factors determine the personality of individual i.e., biological factors, family factors, environmental factors and situational factors. Let us learn them in detail.

a. Biological Factors: Biological factors are related to human body. Three factors: heredity, brain and physical features are considered as relevant.

They are explained below.

- i) **Heredity:** Heredity refers to those innate traits transmitted by the parents to the next generation. These factors are determined at conception. Certain factors of personality inherited are: physical stature, facial good looks, gender, colour of skin, hair and eye balls, temperament, muscle composition, sensitivity, skills and abilities, intelligence, energy level and biological rhythms.
 - ii) **Brain:** Brain is influenced by biological factors. Configuration and composition of brain plays a significant role in shaping personality. There are few empirical findings to state that the brain influences the personality.
 - iii) **Physical Features:** The physical features and level of maturation influence personality. The speed of maturity is related to the physical stature. It is thought that an individual's exterior look has a incredible effect on personality. For instance, height, colour, facial attraction, muscle strength influences ones' self-concept.
- b. Family Factors:** The family factors are also vital in determining personality of an individual. Three major factors: viz., the socialisation process, identification process and birth order influence the personality.
- i) **Socialisation Process:** Socialisation is a progression of acquiring extensive variety of behaviour by a newborn from the extremely wide range of behavioural potentialities that are open to him at birth. Those behaviour patterns are normal and acceptable as per the principles of his family and social groups. Members of the family induce the toddler to conform to certain acceptable behaviour.

- ii) **Identification Process:** Shaping of personality begins from the time, the identification process commences. Identification Process occurs when a person tries to recognize himself with some person whom he feels model in the family. Normally a child tries to behave as his father or mother.
- iii) **Birth Order:** Birth order is an additional noteworthy variable influencing the personality of an individual. For example, first born are likely to be more dependent, more balanced, ambitious, hardworking, supportive, and more prone to guilt, anxiety and are less aggressive.
- c. **Environmental Factors:** Environmental factors are those that exist in and around the person. They are social and cultural factors. Culture determines human decision-making capabilities, attitudes, independence: dependence, soberness: aggression, competition, co-operation and nervousness. There are two fundamental aspects of culture. Firstly, conformity by the individual and secondly, acceptance by the larger group. Culture establishes norms, morals and attitudes, which are imposed by diverse social groups. Persons are obligated to behave in agreement to the culture established by the social order. Thus, culture and society put forth larger weight in shaping the personality of an individual.
- d. **Situational Factors:** In recent time, the influence of situational factors on personality is ever more recognised. Normally, an individual's qualities is steady and consistent, it changes in diverse situations. An investigation done by Milgram, recommended that actions of a person are determined by the state of affairs. The author states that situation exerts an vital influence on the individual. It exercises constraints and may provide push to the individual.

Consequently, it is obvious from the above argument that number of factors put influence in shaping the personality of an individual. Therefore, one has to appreciate personality as a holistic system.

5.4 PERSONALITY TRAITS AND TYPES

Identification of personality is intimately connected with the recognition of person's traits. It is based on the notion that personality is a conclusion of whole person. Traits are blend of actions and reactions of an individual. It can be understood as relatively noticeable personality that describes behaviour. Below mentioned are the personality traits and its type.

5.4.1 Personality Traits

a) **Allport's Trait Theory:** Gordon Allport has recognized a number of traits to describe intricate behaviour of human personality. The author classified traits into two categories. Common traits and Personal dispositions. As common traits are used to compare people, personal dispositions are exclusive to a person and the mainly pervasive attributes telling the intricacy of human personality. For doing assessment, six distinguishing trait orientations are used. They are social, political, economical, aesthetic, religious and theoretical. For example, social traits describe love and affection, care and interest on others and expression of kindness. Political trait is linked to power awareness. While economic traits put weight on practical approach and cost and benefits of situation, aesthetic trait is concerned with innovative and imaginative aspects. While, religious trait is linked to unity and honesty. Lastly, theoretical trait consists of use of prudence and experimental approach. A person possessing theoretical trait is characterised by the inventor of critical truth.

b) **Cattell's Trait Theory:** Cattells' theory has based his theory on a new approach. The traits are recognized into two categories. Surface traits and Source traits. Surface traits are noticeable outside and become visible on the face of personality. They are determined largely by fundamental source traits. While source trait is a cause, surface trait is effect. Surface trait is indication of source trait. Trait theories have recognised the continuity of personality. The theories have shown the usefulness of quantitative application in behavioural sciences. They have great deal of intuitive appeal.

5.4.2 Personality Types

Personality traits provide a perceptive of the personality types. Certain personality types identified are described below:

- i) **The Myers-Briggs Type Indicator:** This is called MBTI structure. Sixteen personality types are recognized with the help of answers to 100 questions provided in the test. A number of them are Extroverted vs. introverted, sensing vs. intuitive, thinking vs. feeling, and perceiving vs. judging etc. Qualities of a personality type 'introverted, instinctive, thinking and judging' possess certain qualities. They are:

- Have vision,
- Thinks with innovative mind,

- Have innovative thoughts,
- Have great drive,
- Skeptical, critical, self-determining, strong-minded and stubborn.

ii) **The Big Five Personality Types:** Personality dimension is recognized in terms of the big five factors. The types of personality are:

- Extraversion: Giving value to relations.
- Agreeableness: Thinking in a diverse manner.
- Conscientiousness: Possession of reliability.
- Emotional stability: Capability to survive stress.
- Openness to experience: Interested and fascinated by novelty.

iii) **Physiognomy Personality Types:** William Sheldon has introduced three types of personality based on the human anatomical or physical structure of persons and psychological uniqueness. Physical size of the body has an impact on the human behaviour and temperaments. The personality types are.

a) **Endomorph:** Certain uniqueness of personality and behaviour linked with the body type are friendly, concern to people, helping others in difficulty, very measured reaction to stimuli. They seek comfort; have intense leaning to delicious food, etc. The persons who is having these personality distinctiveness, are liked by all. Psychologically, the endomorph is:

- Sociable
- Fun loving
- Love of food
- Tolerant
- Even tempered
- Good humored
- Relaxed
- With a love of comfort
- And has a need for affection

b) **Mesomorph:** Persons having reasonable physical uniqueness are known as Mesomorph. The body is well-built and strong. Some of the personality characteristics of this type are: seeks physical adventure, enjoys body building, feels restless, shows high aggression and self-

assertiveness, likes to take risk and develops competitive spirit. The person is liked by virtue of his physique. Psychologically, they are:

- Adventurous
- Courageous
- Indifferent to what others think or want
- Assertive/bold
- Zest for physical activity
- Competitive
- With a desire for power/dominance
- And a love of risk/chance

c) **Ectomorph:** Ectomorph body type is characterised by a thin and flat chest. The person is intellectual, feels shy and avoids social contacts. However, he is typically anxious, ambitious, and dedicated to his work. He is quick to react and hypersensitive to pain and pleasure. Psychologically they are:

- Self-conscious
- Private
- Introverted
- Inhibited
- Socially anxious
- Artistic
- Intense
- Emotionally restrained
- Thoughtful

d) **Extrovert-Introvert Personality Types:** Carl Jung is the advocate of the theory. The theory used logical psychology approach. According to the theory, personality trait is developed as a process of creativity. It comprised of four phases: thinking, feeling, sensation and intuition. Human being personality is a blend of these 4 factors. The theory projected two personality uniqueness on two extreme ends. They are extrovert and introvert type personality. While extrovert persons are friendlier, introvert people are more self-dependent and they are focused by their own individual thinking. **Introverts** are more comfortable living alone and being by themselves. Extroverts are

sociable and reality-oriented persons they are socially active and more aware of what is going on around them. They are performers. On the other hand, introverts have less risk-taking capacity and directive oriented. They need robust motivation and precise instructions. Whereas extroverts have thinking in terms of objective and interactive associations, the own viewpoint and thought guide the thinking of introverts.

This theory is very helpful in the management of organisational behaviour. Job design, motivation, leadership styles, career development, training, organisational change, organisational development and organisational efficiency are based on the personality characteristics. Introvert is more expected to do better in repetitive jobs. Extrovert performs better in lively and environmental centered tasks. Likewise, extrovert desires self-governing style of leadership and introvert wants more instruction-oriented leadership. Therefore, the theory is used in developing organisational strategies to deal with individual workers for increasing organisational efficacy.

e) **Type A and Type B Personality:** Type A personality is defined by Friedman and Rosenman as aggressively involved in a chronic, never-ending effort to attain more and more in less and less time, and, if necessary to do so, against the opposing efforts of other things or other persons. They have defined Type B personality as infrequently agitated by the want to obtain a wildly increasing number of things or partake in a never-ending growing series of events in an ever-decreasing amount of time.

5.5 PERSONALITY THEORIES

Personality theories have been developed to give an understanding of the personality of an individual. They help in appreciating the basics that shape out personality. Interestingly civilizations also have a major role in building the personality of an individual. Personality theories were developed in three streams of thought. They are psychoanalytic theory, self-theory and social learning theory. While psychoanalytic theory states that specific elements in the person's brain are answerable for shaping the personality, self-theory demonstrates the impact of surroundings on the individual personality. Similarly, social learning theory provides that circumstances determine the personality. Let us study them in detail.

5.5.1 Psychoanalytic Theory

i) **Sigmund Freud developed psychoanalytic theory.** According to the author human brain consists of three elements that are responsible for shaping the personality. They are preconscious, conscious and unconscious elements. The unconscious state of mind is controlled by hedonistic code. Unconscious mind activity determines behaviour. Conscious element is guided by logical reality principle. Freud developed a organization of human mind in order to explain personality. It consists of three elements known as: Id, Ego and Super ego.

Consciousness is directed by principle of logical reality and unconsciousness is ruled by hedonistic principle of pleasure. According to this approach, personality determines the behavior.

The personality systems of human mental activity are: The Id, The Ego, The Super Ego, and The Libido. They are described below:

- i) **The Id:** Id is the totality of instincts leaning towards rising happiness, avoiding sufferings and motivating for instant contentment of desires. The personality individuality of an individual are built on the base of the Id.
- ii) **The Ego:** Ego is the executive part of the personality. It selects the features of the surroundings and stores them. It is balanced and logical. It is the conscious intermediary between realities of world and the id's demands.
- iii) **The Super Ego:** Super ego is a moralistic section of person personality consisting of noblest view, ideals, outlook developed in the course of absorption of cultural values and attitudes.
- iv) **The Libido:** It is a psychic energy. It makes any system to function. It is dynamic. According to this theory, desires are generated by the Id. It enforces instant satisfaction of these desires. Otherwise, pressure is generated for their fulfillment. It tries to satisfy them by main process and reflex action. For instance, if a worker is negative, the manager scolds him for under performance of the given task. He is upset by the language of the superior. As he cannot be unkind with the superior, he tries to tolerate uneasiness by withstanding his feeling. He does this by grinding his tooth and bears it. If he fails to withstand his feeling he tries to share the emotions with his close acquaintances. This is called as main process of overcoming the stress. If the primary process fails, energy flows to ego, which provides perception, thinking, judgment and memory. Then person decides a particular action. On the other hand, while applying secondary process super ego acts as a judge. Hence, desires are contented by ego according to

the morals established by super ego. If ego is able to integrate id and super ego individual gets satisfaction, otherwise it results into irritation because super ego tries to punish the ego. To carry on the illustration, the worker tries to introspect himself and learns to work to avoid any uneasiness in future. The theory is helpful in understanding the personality of an individual.

5.5.2 Self-Theory

Carl Rogers contributed the self-theory. It is also known as Organism theory or Field theory. The theory highlights human being as an initiating, creating, and influencing the determinant of behaviour within the environmental framework. Elements of self-theory are explained below:

- a) **Organism:** Organism is the individual. It is the storage of all knowledge. Therefore, forms locus of reference. It is guided by conscious and unconscious elements. As a result, individual behaviour is caused by self-evaluation and by experiences.
- b) **Phenomenal field:** phenomenal field depicts totality of all experiences assembled by environmental interface. According to the theory accomplishment of self-actualization need is the fundamental motivator. It is restricted by surroundings in which individual lives.
- c) **Self-concept:** Self-concept is a result, which forms foundation for person behaviour and personality. Self is a blend of perceptions, attitudes, beliefs, values and traits. It characterizes the notion of 'I' and "Me". In this background, 'I' indicates one's own psychological process. Therefore, it is known as personal self. 'Me' is connected to the thinking of an individual as to how he appears to others. So, it is called social self. Thus, both personal self and social self-decide about individual behaviour. Self-theory provides important guide in understanding behaviour. The theory is organised around individual and not around environment, which is out of control.

5.5.3 Social Learning Theory

Albert Bandura explained social learning theory. It states that personality is determined by the circumstances in which a person interacts. The following are the assumptions of the theory.

According to the theory, a person's behaviour is determined by the modelling and observational learning from the environment. A person connects with the surroundings. He studies and copies the stimuli in the environment. He experiences certain cognition. This cognition is retained. When the same situations are reinforced, he shows actions. These actions are called behaviour.

Bandura described that: It is mainly through their dealings that people produce the environmental conditions that affect their behaviour in a give-and-take fashion. The experiences generated by behaviour also partly determine what a person becomes? In addition, what he can do? Which in turn affects subsequent behaviour? Social learning theory provides important insights into understanding of personality. The theory acknowledges environment as determinant of behaviour, rather than an unconscious element, which is considered as determining behaviour. Thus, it suggests that by regulating environment, behaviour can be customized suitable to organisational process.

5.6 MODELS OF MEN

Persons are imperative assets in any organisational activity. Thus, their behaviour significantly influences the performance of an organisation. Assumptions made about group to larger degree help the working manager to understand, forecast and manage the behaviour. Edgar Schein has identified four model of man. They are: Rational Economic man model, Organisational Man Model, Social man model, Self-actualising man model, and Complex man model. William Whyte used organisation man model. Let us learn them in detail.

- i. **Rational Economic Man Model:** Traditional theories have conceptualized the rational economic man model. It is the oldest model. It is based on the belief of maximisation of selfishness According to this model; an individual strikes a balance among costs and benefits of his actions. He is more anxious about making estimate of worth for his effort in terms of monetary rewards and maximising it. Financial rewards control the behaviour. Rational Economic model assumes that man is forced by economic rewards and his behaviour can be regulated by variation in financial rewards. Thus, it is pertinent in devising suitable strategies of motivation and control. It is useful in forming reward systems. It suggests that individual energy is extracted by providing more economic rewards. As enlarged financial rewards stimulate production, there is no differences between management and staff. This helps in to creation of good quality industrial relations system. This model well thought-out as a realistic description of human behaviour. Even today, this model is appropriate for understanding man.
- ii. **Organisational Man Model:** William Whyte stated the concept of organisational man. An organisational man sacrifices for the sake of organisations' interest. A person having a conviction that collective contentment is potent tool to achieve objectives as a substitute of

competitive struggle falls under this class. Organisational man model suggests that person behaviour is oriented towards faithfulness, belongingness, conformity and sacrifice of personal interest in the realisation of organisational goals. So person's approach is developed towards resolving differences. Organisational man model is useful in creation of an organisational structure to provide contentment to persons. Therefore, organisational strategies take care of people's interest. Management is highly democratic. Communication is open and controls are based on self-controls rather than fact controls. Motivation is positive and commitment is ensured.

iii. **Social Man Model:** Social man model is a result of empirical behavioural research and development of human relations movement. Elton Mayo, Kurt Lewin, McGregor have promoted and used this model. It is based on the notion of social relationships. According to this model group pressures, norms and sanctions direct individual actions. Person is motivated by social rewards and his contentment is considered in terms of his standing amongst group members. As a result, workers acknowledge management instructions as long as they are harmonious with group benchmarks. Social man model is ready to lend a hand in designing the organisation structure, communication techniques, motivation systems, and rewards. It recommended an organisational structure based on workers concern and autonomy oriented rather than strict division of labour as suggested by the rational economic model. The leader should be a catalyst, supporter and originator. His outlook is supposed to be democratic or advice-giving in order to inspire people. The communication should be two ways. The behaviour is analysed with reference to groups. Hence, as per this model larger output can be achieved by giving more consideration to employee's welfare and diverting the system to workers concern than structure.

iv. **Self-Actualizing Man Model:** Concept used in organisation man model and social man model gave rise to the development of self-actualizing man model. Self-actualizing means to utilize the capability of becoming what a person is capable of becoming. Therefore, it recommended that men take on in innovations, creations, and dynamism. Individual works with his full potential force to attain his final goal. Self-actualizing model suggested that the organisation structure is to be designed based on autonomy. The reward and incentive scheme is based on intrinsic factors rather than physical energy. The leadership approach practiced is democratic or participation oriented in order to use creativeness of people to the greatest possible degree.

- v. **Complex Man Model:** Complex man model is of modern origin. It assumes that a person is impulsive in his behaviour. According to the model human being is complex blend of needs, goals, aspirations, perceptions, attitudes, learning, values and beliefs. A host of multifaceted and erratic variables pressure human behaviour. A man is complex because of lack of cause-and-effect relationship in his behaviour and due to individual difference. Complex man model is appropriate in the present-day context as it recommended that there is no general way of understanding behaviour and managing the individuals. Management is required to adopt unforeseen event in organisational design and situational management approach. Manager should be competent of distinguishing among persons and analyze their behaviour in order to take up proper leadership style, motivation pattern, and communication techniques and control strategy. Hence, organisational design and management viewpoint is to be altered to suit to situational demands.

5.7 PERSONALITY ATTRIBUTES INFLUENCING ORGANISATIONAL BEHAVIOUR

Personality attributes of workers are used in understanding the behaviour of employees and plan appropriate strategies to deal with their behaviour. Some of the traits that influence the behaviour in organisations are described below:

i) **Authoritarianism:** Authoritarianism is an attribute used to portray the persons having certain negative beliefs about the work and workers. Taking this concept, behaviour of employees in organisation is explained by using the following traits.

- believes in the formal authority.
- compels compliance to the authority.
- adheres to the conventional principles and does not offer preference to the fresh ideas.
- conforms to the set of laws and regulations.
- believes in directing the subordinates than listening to them.
- tries to be inflexible and prefers structured environment.

Taking these above characteristic traits, a leadership style of superiors was developed, known as authoritarian. Employees possessing the authoritarian attributes will dominate respect and achieve

manufacturing targets in the short run. In the end, these people cannot maintain the level of motivation and satisfaction.

ii) **Locus of Control:** Locus of control is the belief concerning the outcome of their actions. Certain people believe that their skills and abilities influence the outcome of the action. Others believe that some exterior factors like fortune or chance influence their result. According to Robbins, persons who believe that they control what happens to them are called Internals and individuals who believe that what happens to them is controlled by outside forces such as luck or chance are called Externals. Certain implications of locus of control behaviour of the individuals in organisations are described below:

a) **Absenteeism:** People having internal locus of control have a conviction that the health is under their control. They instill good quality health practice and take appropriate care of their health. Therefore, they have lesser rate of illness. Therefore, non-attendance is less in these people.

b) **Turnover:** With respect to turnover, internals tend to take action and thus might be likely to quit the jobs more willingly, but they tend to be more successful on the job and more contented.

c) **Decision-Making:** People having external locus of control are more leaning towards intuitive decision making. On the other hand, internals think about more information before taking decisions. They are motivated by the achievements. They would like to control the outcome of the decisions.

d) **Motivation:** Internals possess achievement motivation than externals that are just satisfied with the available rewards.

e) **Job Satisfaction:** People having external locus of control are more discontented on the jobs. This is because of the conviction that the result is not under their control. In the case of internals, job satisfaction is more due to the belief that outcomes are the results of their actions.

f) **Psychological Commitment:** Externals are less involved in the jobs. Internals possess dedication that is more psychological.

g) **Social interactions:** People having internal locus of control are more friendly and thrilled to have social relationships to keep their identification and esteem.

The locus of control influences the job selection also. People having internal locus of control are victorious in the complicated jobs. Jobs having specialized and decision-making nature require

multifaceted information processing capability, needs swift learning, initiative and independence of actions are fitting to the people having internal locus of control. On the other hand, people having external locus of control are appropriate for well-structured and routine jobs. They are also successful in those jobs that require complying the directions.

iii) **Machiavellianism:** Niccolo Machiavelli has introduced the concept. The term refers to the extent of individual effort to get control over organisational tasks. According to Robbins, Machiavellianism is the extent to which an individual is realistic, maintains emotional distance, and believes that ends can justify means. The characteristics of Machiavellianism personality attributes are:

- They are energetic to participate in organisational politics.
- They manipulate more, win more and persuade less.
- They are expert at interpersonal game playing, power tactics and identifying influence system in organisations.
- They consider ethics.

iv) **Self-esteem:** Self-esteem is a sentiment of liking or disliking of one self. It is connected to the individual wish for success. An individual having a larger craving for success is rated as high self-esteem person. He believes that he possesses requisite abilities to do well on the jobs. People with high esteem are risk takers. They tend to opt risky and demanding jobs. They have internal locus of control. They give preference to pride, acknowledgment, stylishness, achievement, self-sufficiency, and are contented with higher order needs than simple economic motivation. On the other hand, people having low self-esteem are influenced by the external factors. They offer more admiration and significance to the opinions of others. They do not want to face distasteful situation. Thus, they try to please others.

v) **Self-monitoring:** Self-monitoring is the capability to become accustomed to the situational demands. Individuals possessing high score on self-monitoring watch the actions of others from close angle in order to correct their behaviour. They prefer mobility in their profession. They are more thriving in discharging conflicting roles. Simply they can wear a mask appropriate to the circumstances. Consequently, there is high level of behavioural contradiction in high self-monitoring people. Therefore, self-monitoring quality helps managers to understand the

personality and behaviour of their subordinates in order to direct, communicate, motivate and regulate them on the jobs.

vi) **Risk taking Attitude:** Risk taking is an approach. People differ in the outlook towards assuming the risk. The tendency to take risk influences the decision-making. High-risk takers are expected to take quick decisions. Risk taking is also related to the job demands. High-risk taking is found in certain caste, religion, nationality and gender. In organisations, risk-taking behaviour is connected to the capability of workers to take up challenging tasks and possess high achievement motivation. Therefore, a number of personality attributes influence the behaviour of person in the organisational behaviour.

5.8 DEFINITION OF EMOTION

Emotions are related to psychology of an individual. They are connected to the inside feelings articulated in a situation. When a person experiences stimuli, he is likely to develop an inner feeling. Facial expressions, verbal sounds and body actions are used to express the inner feelings. Emotion can be described as an expression of a feeling of fear, anger, joy, love, hate, grief, frustration, satisfaction or any other similar feelings. Emotions are significant in understanding employees' behaviour in an organisation. Stephen P. Robbins defined emotions as intense feelings that are directed at someone or something. Understanding emotions require knowledge of two components. One is affected: it is a broad range of feelings that people experience. Second are moods: they are feelings that tend to be less intense than emotions and that lack a contextual stimulus.

5.9 APPLICATIONS OF EMOTION

Emotions are important determinants of employee behaviour in organisations. Superiors use the information of emotions for directing their subordinates in an efficient way and achieve organisational objectives. Let us study the applications of emotions in organisations.

i) **Employee Selection:** Organisations normally look for the people who possess the capability to cope up with others. Functioning with the group and inter personal attraction is becoming accepted in organisations. The skill to fine-tune with job stress, environmental pressures and go along with other personnel is an absolute prerequisite for the success in any job. Emotional strength implies

controlling violent behavior. Workers habitually hide their real emotions and exhibit emotions suitable to the demands of the environment. Organisations select those employees who possess this quality. It is also known as emotional intelligence. According to Robbins, Emotional Intelligence is an assortment of non-cognitive skills, capabilities, and competencies that influence a person's ability to succeed in coping with environmental demands and pressure. It is composed of five elements: Self-awareness, self-management, self-motivation, empathy and social skills.

ii) **Decision-Making:** Decision-making is an essential part of every worker in organisation. Decision making must be based on reason, if it has to yield the desired results. However, while taking decisions such emotions as fear, anxiety, frustration, doubt, excitement, angry, stress, coolness etc., govern the rationality. Managers overlooking the significance of negative emotions in the decision-making process are expected to overlook number of alternatives also. They also ignore information processing rather use more intuitiveness in the decision making. Likewise, positive emotions increase the capacity to resolve complex problems and deal with the complex persons. In the process of group decision-making emotional firmness is necessary to develop a sentiment in the worker that their suggestions are considered for arriving at a final decision. Manager who can strike a equilibrium between rationality, intuition and emotions is likely to make firm decisions suitable to subordinates. Psychological commitment is more to those decisions, which are arrived by considering the feelings of employees.

iii) **Leadership:** Leadership is concerned with communication of instructions, motivation of subordinates and resolving inter personal conflicts. Emotions play a vital role in all these aspects. Let us explain them.

a) **Communication:** Communication is the course of making others to comprehend the message in an intended manner. Simply to use suitable words, medium, language, technology and environment do not convey the message. Appropriate use of facial expressions, body moments and tone of the communication conveys meaning as intended. This is linked to the emotions of the sender. In fact, leaders will be able to communicate sense of efficiency, capability, optimism, and satisfaction and energise their subordinates by their excitement, enthusiasm and communication of emotional attachment.

b) **Motivation:** Motivation is the sense of an inner drive and keenness to act in a predetermined way in the hope of certain desired outcomes. Emotions influence the desired outcomes. Managers use emotional content to motivate their subordinates in a proper direction.

c) **Inter personal conflicts:** Misunderstanding of communication in the situations of emotion leads to conflicts. So, emotions are interwoven in conflicts. Though, these emotions do not appear outer surface in a situation of conflict. Manager has to tackle the emotional factor in order to resolve the conflict and increase accord among the subordinates. On the other hand, addressing to the task and structural aspects of the conflict alone does not rectify the conflict. A successful manager learns to consider the emotions in the resolution of inter personal conflicts.

iv) **Management of Change:** Change is a common phenomenon. Employees refuse to accept change due to ambiguity in the goals. Thus, emotional attachment to the goals elicits positive attitude towards change. Managers extract positive response to change by the evocation, framing and mobilisation of emotions. Thus, proper linking of emotions with the change is necessary for bringing down the opposition to change.

v) **Deviant Workplace Behaviour:** Emotions influence the moods and as a result employees take on unintentional actions of deviations of norms, rules, authority and cause damage to the property of the organisation. Ignoring the presence of the boss is also one of the ways of employee deviation. Certain observed deviations are slow working, damage, politicking, complaint, harassment, aggressions etc. Another negative emotion that causes stress and anxiety in the individual behaviour is enviousness. It is bitterness for not possessing something, which is strongly desired. Promotion of positive emotions controls enviousness.

5.10 LET US SUM UP

Personality is an essential facet influencing the worker behaviour in organisational settings. Understanding of personality arises as human beings provide life to all other resources in organisations. Proper motivation and direction of these resources are more important for realisation of the goals of an enterprise. A number of descriptions exist to describe the personality. They believe that the temperament is distinctive, qualitative and dynamic physio-psychological system in the individuals. Personality is formed from the child hood days. It also thought that it subsists even at the time of birth. Heredity, composition of brain and physical features determine the

personality. Shaping of personality is elucidated by the theories of personality. Sigmund Freud propounded psychoanalytic theory, which focuses on the Id, the Ego, the Super Ego and the Libido. Carl Rogers explained the self-concept to explain the personality. Social learning theory affirms that the personality is determined by the situational interface. Rational economic model, Organisational man model, social man model, Self-actualizing man model and Complex man model made different assumptions and propositions to understand the nature of a man. Personality qualities of employees are significant in comprehending the behaviour of organisational member and design appropriate approaches to direct their effort towards accomplishment of organisational goals. Emotions are related to the mindset of persons. They are manifestation of inner feelings of fear, anger, joy, love, hate or grief. Emotions are motivated by cognition, arise a feeling in the persons and stated through facial or body gestures. In organisations understanding emotions are beneficial in decision making, leadership, communication, motivation, inter personal conflict, management of change and understanding deviations in the work place behaviour.

5.11 Check your knowledge

Question

- 1 Define the term personality.
2. What are the Determinants of the personality? Explain in details.
3. Explain Allport's Trait Theory.
4. Write about Physiognomy Personality Types in details.
5. Define Self-Theory of Carl Rogers and its component.
6. Explain the term Rational Economic Man Model.
7. What is Locus of Control? Explain in detail.
8. What is the meaning of Machiavellianism?
9. Define Self-esteem in relation to personality attributes.
10. Briefly explain application of emotions.

M. COM

SEMESTER-I

COURSE: ORGANISATION THEORY AND BEHAVIOUR

UNIT 6: STRESS MANAGEMENT

STRUCTURE

6.1 Introduction

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6.1 Introduction

Pressure is part and parcel of all work and helps one feels encouraged. But extreme pressure can lead to stress, which affect performance, which increases the overheads of the employers due to less productivity and also affect the health of the people. Stress is a condition of nervous tension

that has a direct influence on a person's emotions, thought process and physical conditions. The actions of all human beings are directed towards achieving goal. These days the workforce often admit that stress is affecting their jobs, family life and health. Unpredictable economy, pressure to maintain profitability and increased responsibilities are main causes of stress. Human behaviour is directed towards the fulfilment of aspirations, needs, drives, cues want etc. Human wants are endless and reach-less. When an individual's aspirations and needs are ignored there occurs inevitable behavioural consequences of irritation, resentment, impatience, excessive complaint and frustration, which eventually results in stress. In this materialistic world, every individual strives hard to make progress in life, and aspires to lead a peaceful life and a prosperous life, which is a great challenge.

Evolution of the Term Stress

In the 15th century, the term stress was used to describe troubles or pain. A century later, the term was used to describe burden, force or pressure, especially on a person's body or soul. In the 17th century stress denoted hardships, strains, adversity or affliction. During the 18th and 19th centuries it meant, force, pressure, strain or strong effort". The 20th century was called the "The Age of Anxiety.

6.2 Concept of Stress

Stress has become one of the major concerns of present times. It has become a catching phrase and a genuine concern of the present time. Majority of persons are victim of stress at some stage of their life, which denotes pressures and irritants behaviour of people in life. People who put lot of hard work to complete their work and who spend lot of energy to finish the job are supposed to be highly stressed and vice versa. "Stress is used either to label situations that tax a person's physical or psychological resources or to refer to the emotional response of the person to such situations". A stress is any force that pushes a psychological or physical factor of a human being, beyond its range of stability, producing a strain within the individuals.

Stress is a form of uneasiness faced by an individual. Loss of emotional firmness is the general expression of stress. It is usually apparent when the individual experiences a biological disorder. Stress has a positive relationship with the age, life styles, time restrictions and the type of

occupation. Certain jobs are more prone to the stress than the others. For instance, drivers of vehicles, doctors, lawyers and managers are more expected to get stress than teacher, bankers and operating personnel. People feel pressure when the needs or requirements are not accomplished in the normal expected ways. This is because of the natural constraints functioned on the individuals. The more the strength of the desire and greater is the uncertainty connected with the attainment of the goal, the greater is the degree of stress. Employees are at work for longer hours, taking on the work, laid-off colleagues, meeting stricter deadlines and cutting back on expenses are some of the causes of stress. In addition to this with the double-income family demands of monthly mortgages, childcare issues and aging parents, and the result for many is anxiety, sleeplessness, irritability, and physical and mental deterioration. Perhaps these are the potential reasons for stress in the employees.

6.3 Some definitions of Stress

In the words of Fred Luthans, stress is described as an adaptive response to an external situation that results in physical, psychological, and/or behavioural deviations for organisational members. Ivancevich and Matteson describe stress as the interface of the individual with the environment. It is an adaptive response, mediated by person characteristics and/or psychological processes that are result of any external action, situations or event that places special physical and / or psychological demands upon a person. Schuler defines stress as a dynamic condition in which an individual is confronted with an opportunity, constraint, or demand related to what he or she desires and for which the outcome is perceived to be both uncertain and important.

Hanselye ‘The Father of Stress’, defined stress as “The force, pressure or strain exerted upon a material object or a person which resist these forces and attempt to maintain its original state”. Stress is a major problem in our society. More than 75% of bodily illness are said to be stress related. It has been seen that severe and prolonged stress leads to suppression and badly affect the body’s immune system. Weak immune system normally prevents the human from fighting against the bacteria, virus, fungi etc. “Stress at work creates as well as promotes employee’s inclination towards the job, thus enhances the performance. However, it has been more frequently observed that high level of stress acts with body process, to tear it away”

6.4 Characteristics of Stress

The following are some of the features of stress:

- i. Stress is intangible in nature' which cannot be seen or touched but its existence can be felt through the human behaviour and its damaging and negative human emotions.
- ii. Stress is very much personal in nature and impulsive'. As stress put pressure on the employees and induces an employee's tendency towards attending the job and achieve the personal as well as organizational goals.
- iii. Stress puts mental pressure on a person's physical and psychological resources.
- iv. The outcomes of stress are not only negative but it has also some positive aspects, like it stimulates employees to achieve the goals on time. It has positive effects on an individual. However, too much and unrelenting stress is unpleasant for employees.
- v. Stress has both psychological and physical aspect.
- vi. It is widespread to both the genders.
- vii. The origin of the stress is from the deviation of one's expectations from the real state of affairs.
- viii. It is symptomatic. The person affected from the stress can be judged with the visible symptoms. If the potential symptom of stress is disregarded, it leads to actual stress.
- ix. Stress is mostly treated to be negative in nature. However, it has positive outcomes. This is called as eustress.
- x. Stress has a direct correlation with the external environment. It does not emanate from the functions of the internal organs of the individual. It originates from the interface of the human being with the external environment surrounding that person. Thus, environment has a intense influence on the stress.
- xi. Stress is a general term. If it is studied in the context of an organisation, it is known as work stress or job stress.
- xii. Stress is correlated to the outlook of the person to a particular situation. Stress does not crop up when the individual is having a positive attitude to the opportunity.
- xiii. Stress is connected with certain universal biological disorders such as heart attack, stroke, diabetic, blood pressure, neurological disorders etc.

6.5 Type of Stress

Good Stress v/s Bad Stress:

Stress has often been misunderstood to be negative, with few people acknowledging the significance and worth of positive stress. In our day-to-day life, stress is present everywhere and certainly unavoidable; therefore, our weight should be on making a distinction between what is good stress and what is bad. Negative stress is a source of number of physical and psychological problems, while positive stress can be very useful for everyone. There are four main categories of stress. They are as follows:

Eustress: This is a positive type of stress. This enthuse a person to get ready for the allotted work, to conclude the work on time without any delay and at the same times, it provides motivation and power that is needed to complete the work. “Eustress” is the satisfying stress that accompanies potential positive events. The positive form of stress is known as eustress. The word taken from Greek language means good stress. Mild stress elevates body metabolic and biological rates

Distress: It is a depressing form of stress. This happens when the mind and body is not able to deal with the changes, and by and large happens when there are deviations from the norm. This type of stress can be sharp or never-ending, which can either be intense or enduring in nature. Distress is the distasteful stress that accompanies negative actions.

Hyper-stress: This is another form of negative stress that is mainly felt when an individual is not capable to manage with the workload. This arises when the job is highly stressful or the work that may require longer working hours than an individual can handle. If anyone suffers with hyper-stress, he / she may get emotional break downs over trivial issues.

Hypostress:

Finally, hypo stress arises when an individual has nothing to do with his /her time and persistently fed up and demotivated. This might happen because of a person doing unchallenging job, like a factory worker doing repetitive nature of job over and over again will often experience hypo stress.

6.6 Existence of Stress-Is it negative or positive?

Although stress is normally noticed in a negative manner, it also has positive value. It is progressive at the same time challenging. Stress does not always lead to adverse effects. Sometimes stress motivates as well as promotes employee’s tendency towards the job and

enhances the performance of the employees. “Offended by the stressful world, many executives have accepted stress as a necessary component for their existence”. Absence of stressful state of affairs is dysfunctional both to the individual and to the organization, since boredom and laziness set in and performance tends to decline. The employee may not experience excitement from the job. But the presence of stress could make the assignment more challenging rather than resorting to job simplification.

6.7 Stress & Job Performance

Performance is a significant progression, which enhances productivity in production and profit. Performance of an employee will be excellent, only when there are no serious problems and interruptions in the smooth functioning of the organization. If the employees are working without any necessary facilities and amenities and if employees do not have satisfactory state of mind with regard to their work, stress creeps in. At such unpleasant situations, stress can either be ‘helpful’ or ‘harmful’ depending upon the quantum of stress. When there is no stress, job challenges are absent and performance tends to be low. As stress increases, performance tends to increase because stress helps a person call up resources to meet job requirements. At this point additional stress tends to produce no more improvement. Finally, if the level of stress is at high level, the performance of the employee begins to decline because stress interferes with it. At this juncture, one loses the capability to cope with the stress and unable to make decisions and shows erratic behavior.

The logic underlying in the inverted ‘U’ is that low to moderate levels of stress stimulates the body and increase its ability to react. The task performance of an employee at this stage becomes better and intensive. Too much stress places challenges in front of a person and job become more demanding, which leads to poor performance.



Figure 1

6.8 Levels of Stress

The nature of stress has the stages of High or Medium or Low. But high and low levels of stress are not encouraging to an individual and organization. But there is an '**optimum**' level or medium level of stress for every individual, under which he/she will perform the work undertaken to the fullest capacity. If the stress experienced is below this optimum level, then the individual gets bored, the motivational level to work, reaches a low, and apathy sets in. If one operates in a very low stress environment and constantly experiences boredom, the person is likely to psychologically or physically withdrawn from work. Psychological withdrawal will result in careless mistakes being frequently made, forgetting to do things etc. And physical withdrawal will manifest itself in increased rates of tardiness and absenteeism which may ultimately lead to increased turnover.

Duration and intensity of stress: The period of frequency of stress is very important for job performance and satisfaction. Stress can either be temporary or long term, mild or severe, depending mostly on how long its causes continue, how powerful they are and how strong the employee 's recovery powers are. If stress is temporary and mild, most people can handle it or at least recover from its effects rather quickly. The following table visualizes and explains the levels of stress and its consequences.

Levels of stress and its consequences

Stress Level	Low Stress	Optimum Stress	High Stress
Reactions	Boredom/Apathy	High energy	Exhaustion
Behaviours	Low motivation careless mistakes, Psychological Withdrawal, Physical withdrawal & Inactivity	High motivation High perception High involvement	Anxiety and nervousness Indecisiveness Bad judgment
Performance	Low performance	High performance	Poor performance
Health effects	Dull health	Good health	Insomnia Psychosomative illness

6.9 Determinants of stress

Modern day stresses can take the form of monetary needs or emotional frictions. Competitions at work and an increased work load can also cause greater levels of stress. What causes stress? The following briefly discussed factors will enable to understand it. There are many different causes of stress which is known as “stressors”. Let us analyze it individually.

a. Personality characteristics:

An important factor contributing to the stress level of an employee is the personality of the individual himself. “It builds up stress to such a level that role occupant might attempt suicide.” A person who has weak temperament to handle the stressful situation may find himself in perplexing situations as compared to a strong mind person who is more resilient in such difficult situations. There are people who shows firm personality traits of high tolerance for ambiguity, self-esteem etc. and handle high level of stress effectively. A high level of patience for uncertainty allows

individuals to experience very little suffering, while working under circumstances of inadequate information or in an uncertain environment.

There are certain individual factors, which causes stress and include: personality and individual differences, family problems, economic problems, life styles and role demands.

- i) **Personality and individual differences:** Individual basic character are the main cause for potential stress. Introversion, extroversion, masculinity, rigidity, locus of control, individual life, demographic differences such as age, health, education and occupation are some of the reasons causing stress in persons. It has been found that type A personality is more prone to stress than type B personality. Type A personality is characterised by emotion and sensitivity to organisation goals, competitive spirit and goal attainment oriented behaviour. This leads to irritation even for small deviations from the expectations, thus feeling of more stress. Type B personality is usually relaxed, carefree, patient and less serious in achieving objectives. Thus, he never feels stress.

Some premise of personality and individual stress are:

- Age is positively related to stress. When a person grows older, his expectations also go up. If he fails to find new avenues for realising expectations, he feels stress.
- A healthy person can manage stress better as compared to a person who is having unsound health.
- Education and health are related positively and negatively. Better education provides an opportunity to understand things in a better manner. Even the level of maturity increases with better education. So better educated persons are less prone to stress. Poorly educated people in relation to the jobs are likely to feel more stress due to the poor adaptability on the jobs.
- The nature of the occupation and stress are related. Certain occupations are inherently stressful than the other occupations. For instance, doctors, lawyers, Accountants etc. At the same time occupation also gives enough stress tolerance ability.
- Greater degree of locus of control leads to stress. A person is less likely to feel stress as he believes that he can exercise control over external factors.
- Self-efficacy and stress are negatively related. Higher degree of self-efficacy increases the levels of motivation. Consequently, people with greater self-efficacy remain peaceful and successfully face stressful condition.

- Another personal temperament related to stress is psychological robustness. Robustness is the capability to withstand irritation from others. Individuals with greater psychological resoluteness are able to survive and withstand stressful environment. For example, people who remain at peace even at the provocation of others and ignore the esteem are less likely to feel stress. Individual differences in perception, job experiences, social support, hostility etc., are some of the reasons that cause stress.
 - Evaluation of a particular situation helps in understanding the environment. Individual having a positive insight understands truth and appraises the events objectively. Thus, he feels less stress.
 - Job experience and stress are negatively related. As person gains experience, he is able to adapt new changes at job and organisational demands. He realises the job prospect. He develops a system to deal with stressful situations. Hence more experienced people remain cool, calm, and ignore stressors than young and inexperienced employees.
 - Hostility and aggressive behaviour is positively related to stress. A person who becomes aggressive and couldn't hold his quick anger is cynical and does not trust others. He feels more stress than others who are cool and calm.
- ii) **Family Problems:** Family issues influence the personal life of individuals. Sound marital relations, timely and healthy children may lead to happy personal life. They lead their life happily and become positive in their attitudes. So they feel less stress as compared to others who has some family issues in their life. On the other hand, poor marital relationships, irritating wife, family separations, extra marital relationships, disturbing children, poor settlement of family members, aging parents, dual working couple, death of spouse or other close family member are some of the reasons for greater stress in the individuals.
- iii) **Economic Problems:** Economic worries are the major cause of stress. Poor management of personal finances, heavy family expenditure, and constant requirement for money, poor incoming earning capacity and slow financial growth in the job are some of the economic reasons responsible for greater stress. For instance, an rising family expenses due to inflation, increased expenditure on children education and health create heavy demand for income. This creates greater stress in the individuals.
- iv) **Life Styles:** Life Styles of individuals can also be a cause of stress. The following may be the some of situations of life style stress:

- Sedentary life styles cause greater stress.
 - Individuals experiencing certain unique situations may be compelled to alter their attitude, emotions and behaviour. These are known as life trauma. Life trauma is potential reason for stress.
 - More rapidly career shifting brings more responsibilities to the individuals. Persons holding higher positions at jobs in the younger age are likely to get heart attacks due to greater stress. This is because of incapability to settle in the new carrier responsibilities.
- v) **Role Demands:** Individuals play multiple roles in their personal life and organisations. In their personal life, they play the roles of family head, husband, father, brother and son. In social life they play the roles of club members, informal community group members, members of recreation groups, religious groups and a number of other social groups. Similarly, in organisations, employees play the role of superior, subordinate, co-worker, union leader, informal group leaders etc. Incidentally, all these roles are performed simultaneously. Thus, they cause anxiety and emotion. Another potential reason is role conflict. It arises because of poor role perception, role ambiguity, role overload and role overlapping. Role ambiguity and stress are positively related. The greater the role conflict, individual experiences more stress.

b. Organisational Factors:

- i. **Role conflict:** It is the simultaneous happening of two or more sets of pressures such that handling with one would make harder to attend the other. Role conflicts are faced by the employees who has not been given proper instructions of work by the higher authorities, at the work place. It is quite likely that the role occupant experiences some incompatibility between two expectations from his or her role. Though the situations may not be conflicting, the individual may perceive these as incompatible and suffers with confusing situations.
- ii. **Role Ambiguity:** Employees in some organizations have insufficient information about what they are expected to do and especially about how they have to perform a task. As a result, they are burdened with the role ambiguity. Employees often face confusion in regards to what should be done next. Too much role ambiguity may cause psychological and physiological complaints. Hence, role ambiguity is the most powerful stressor.
- iii. **Role overload:** The employees are expected to complete a set of tasks which require them to do more than they are able to do within the time available. The employee may be pressurised

with more expectations, which he/she ultimately cannot manage. People suffer due to paucity of time and too many activities to be completed; these are termed as qualitative and quantitative stress. When the employees recognize the job responsibilities beyond their capacities, or has no time left over for socialisation with friends and families or if they get totally fatigued after completing the work, the employee is upset both physically and mentally.

- iv. **Role stagnation:** The most intimidating aspect at the work place is boring work or work lacking challenges, whereby time seems to stand still. A number of people develop a strong dislike to their job in the organization but secondary working conditions are sometimes so positive that people stay on unwillingly with their job dissatisfaction. Here promotion will also be missing which automatically creates stress.
- v. **Role Incompatibility:** This creates an agreement between an individual and the job environment. This depends on person's capabilities and the potential presented by the job. If there is lack of harmonization between the person and the environment (job), then strains and stresses take away the employee's physical and emotional wellbeing.
- vi. **Self -Role distance:** When an employee does not enjoy a particular position or does not get involved in it, there is distance between the self and the role. Self-role distance indicates the differences between the self-awareness and the expectations from the role as perceived by the role occupier.
- vii. **Inter personal and group factors:** This includes factors such as conflicts, unpleasant relationships and poor communication from the group. Working surrounded by the vigilant eyes of the superiors or subordinates with whom one cannot work together can be a source of stress. However, some people have patience for such conflicts and misunderstandings, majority of them find it difficult to cope with such situations and build internal stresses for themselves. When poor interaction and distasteful relations have to be faced with work environment, persons try to stay away from the stresses by remaining absent as repeatedly as possible or even start working for other organizations i.e. may quit the job or may even seek voluntary retirement.
- viii. **Nature of the job:** The nature of the job performed by the person can often source of stress. If a job is too routine, dull and boredom or happens to be too challenging in terms of frequent transfers on constant travelling, attaining high targets and which confines the time that can be spent together with the family, the individual is likely to experience stress. Some of the jobs

can also be dangerous to the person. For instance, People working in an explosives factory. People notice that there is a lack of cordial relations. The work calls for heavy work load and exhausts an employee after the work in such case the employee may get stressed. A worker may be required to work in this environment, which might be a regular source of severe stress and suffering to the employee.

- ix. **Organizational structural factors:** Work environment factors such as noise, heat, poor, lighting, radiation and smoke are stress inducing agents. Poor lighting causes headache and poor vision leads to mistakes. Sometimes an individual may be forced to work with noisy environment, which may be quite harsh and stressful.
 - x. **Pay scale and promotion:** Wages and salaries are recognized to be significant factors. Money not only helps people to fulfil their basic requirements but also helps in raising the standards of living. Fringe benefits are also essential but they are not as influential. Promotions are the rewards of past performance and recognition. Promotion will certainly lead to a positive change in work which may involve increased responsibility for people and enhance productivity. When these benefits are denied, and an employee is deprived of all these rewards, then automatically, it annoys the worker and become source of stress, frustration, fatigue and worries.
- c. Extra-Organisational Factors Environmental Factors:** Environmental factors are extra organisational. Nevertheless, they create job stress in the individuals. These are internal and external factors. Most of the internal environmental factors relate to the organisational goals, management systems, structure, processes and design of organisations. External environmental factors relate to the general environment of the organisation. They are political, economical, technological, legal, ecological, governmental, social, cultural and ethical. Certain propositions describing the impact of environment on stress are presented below:
- (i) The political party in power as per their philosophy enacts legislation in the Parliament. As the new laws and regulations are enacted by the new political party, these enactments changes bring ambiguity in the environment. This compels the employees to adapt to the new legal changes. This creates stress.
 - (ii) Economic environment deals with income levels, demand and supply, inflation etc. Changes in these factors in the economy may require more work or superior strategy to deal with the changed environment. This creates stress when the employees are unable to

adjust to the new situations. For instance, increase in inflation levels creates pressures on the employee income levels leading to stress.

- (iii) Technological changes bring new methods of production and new ways of doing the organisational tasks. Employees are required to learn new skills in order to discharge their jobs effectively and efficiently. When not able to cope up with the new technology, it becomes source of stress in the employees. For example, bank employees felt stress when the bank management decided to introduce computers with latest software packages.
- (iv) Legal environment consists of intricate web of laws and regulation intended to control the business operations. Organisations are required to follow the legal provisions otherwise they are subject to levy of penal provisions and sometime prosecution. Sometimes practical difficulties arise in the implementation of the legislative framework. Employees who are unable to respond properly to the laws and regulations find themselves in stressful situation.
- (v) The government is enacting legislation to guard the ecological environment in the country. Organisations are compelled to adapt to the legislative framework protecting the ecological environment. Protecting the ecological balance becomes a cause for potential stress.
- (vi) Government administration comprised of the administrative machinery and institutions that enforce the laws, regulations, policies and other government orders. The intrusive practices of the administrative machinery can create stress in the executives.
- (vii) Social, cultural and ethical environment can bring stress in the individuals. Social factors influence the life styles of employees. Certain social security measures such as health protection, civic facilities and social groups reduce stress in the employees. Certain sociological variables such as race, sex, social class, gender etc., and cultural factors such as beliefs, customs and traditions cause potential stress. Certain other environmental factors that result in stress in recent times are stock market crashes, frequent elections, downsizing, information technology and the related changes in the business. Career oriented couples, racial and gender discriminations, health hazards due to pollution and imbalance in the natural environment etc. are contributing to stress.

6.10 Consequences of Stress

An individual experiences stress through psychological emotions and is disseminated through physiological breakdown or biological changes. However, stress is not negative always. Stress has

also positive consequences. Achievement motivation comes from deep intention, mild tensions, inner urge, fire and feeling of restlessness to achieve objectives. Stress helps in the development of people too. In its mild form it enhances job performance, leads to excellence and provides impetus to work hard and perform better. Individuals involved in the discharge of professional oriented jobs, jobs involving creativity, challenge, interpersonal communications and certain managerial jobs, will be benefited by stress, which leads to positive performances. However, jobs involving physical effort do not get benefit out of stress. As indicated above mild levels of stress increases job performance. It stimulates body and increases reactivity. Thus, individuals perform tasks better and in a rapid way. Inverted-U relationship illustrates this phenomenon. Some positive consequences are: increased productivity, positive response to target, development of proper perception in the decision making, increased motivation and performance, increased adaptability to change and increased quality of job performance. For instance, employee experiencing a moderate stress of repetitiveness on the job finds new ways of discharging jobs. Thus, stress promotes creativity in the employees. However, in the modern organisations the negative consequences of stress are creating more problems. As pointed out by Schuler, Khan and Byosiye, stress leads to high blood pressure, ulcer, cancer, accident proneness and irritation. Though there is no perfect association between stress and its consequences, stress itself demonstrates into physiological, psychological, behavioural, job and organisational consequences.

The positive and negative consequences are discussed below:

Physiological Consequences: Stress affects the biological system of the human being. Certain visible forms of stress are increased in blood pressure, vulnerability to heart disease, cancer, sweating, dry mouth, hot and cold flashes, frustration, anxiety, depression, increased level of cholesterol, ulcer, arthritis etc. Physical stress increases the body metabolic rate. This results into malfunctioning of immune system and as a result there is physical illness. High stress also leads to increase in heart beating, increase in breathing rate and headache. This creates biological illness. The physical stress also creates psychological problems. In fact, physical stress and physiological disorders are interrelated. However, physical disorders and stress always need not associate positively. This is because of complexity of symptoms of physical stress and lack of objective measurement of impact of stress on bodily disorders.

Psychological Consequences: Psychological consequences are interrelated to biological consequences. They are invisible, but affect the employees' job performance. Psychological stress creates a pressure on human brain. This is expressed in terms of certain psychological symptoms such as anger, nervousness, sadness, anxiety, irritation, tension, boredom, hostility, irritability, resentment and poor attentiveness. Tensions, anxiety, and negative emotions lead to procrastination. Psychological stress produces interpersonal aggressions, misunderstanding in communication, poor interpersonal communication and low interpersonal attraction. This is recognized through violent actions like sabotage, increased interpersonal complaints, poor job performance, lowered self-esteem, increased resentment, low concentration on the job and increased dissatisfaction. Psychological stress produces insensitivity in the behaviour and may lead to assumption of authoritarian leadership style by the superior executive.

Behavioural Consequences: Stress has an impact on employee's behaviour. An unusual behaviour is observed in those individuals who are prone to stress. A change in eating habits, sleep disorder, increased smoking, alcoholism, agitating and aloofness are some of the behavioural changes observed in stressful employees. Sometimes stress leads to anxiety, lethargy, depression and emotional disorder. This leads to irresponsible and aggressive behaviour and everyday interpersonal conflicts. Under eating, overeating, drug abuse and sleeplessness are some of the behavioural consequences. The following are some propositions relating to stress and behaviour.

i) Perception: Stressful persons develop strain and anxiety. As a result, their level of comprehension significantly decreases. When emotional disturbance occurs in the workers, it may negatively affect decision making process, interpersonal understanding, interpersonal communication and capacity to go along and work with groups members. Stress becomes unbearable for them. All these lead to increased levels of interpersonal conflicts in the organisation.

ii) Attitudes: Persistent stressful environment creates certain permanent negative feelings in the mind of the workers. These permanent feelings harmfully effect their work performance. For instance, an employee developing a negative attitude towards work, superior, working conditions, organisational climate and culture intentionally decreases his output. He also becomes disheartened and the motivation level decreases.

iii) Learning: Learning is a continuous process for the employees in organisations. They learn new skills and techniques. Learning new methods and techniques to become accustomed

themselves and do their jobs effectively and efficiently. it is expected for the employees to learn new skills. Stressful employees cannot learn the things quickly.

Organisational Consequences: Stress has negative influence on the performance of the job. Organisations face the problems of overall poor performance and other negative consequences. Some of them are described below

i) **Absenteeism:** Employees subject to stress were found to addict to drugs and alcohol. Thus, they remain absent from their jobs frequently. This creates obstructions in the jobs and adversely affect the performance of other employees as well.

ii) **Turnover:** Turnover and stress have shown some relationships. An employee experiencing continued stress develops anxiety and frustration. Therefore, they are likely to change their jobs.

iii) **Decision-Making:** Excessive stress poses problems to handle the situation by the managers. This adversely affects their competence to take decision. Therefore, stressful executives become irrational in the decision making. This leads to loss of organisational resources and reputation.

iv) **Disturbed Customer Relationships:** Employees experiencing excessive stress develop irritation, loses emotional stability and emotional tolerance. Intolerance make them mentally weak and they easily conflict with their peers group members due to misunderstandings. Employees dealing with the customers and the public upset relationship due to their irritated behaviour. For example, sales persons, bank employees, public relation officers who are deployed to handle public grievances are required to be more emotionally stable. Otherwise, customer's dissatisfaction will lead to loss of business due to shifting of the customers to the competitors. This also creates bad impression of the corporate image in the minds of the customers.

The consequences of stress are complex. Stress has a vicious circle. Most of the consequences of the stress are interrelated. One has roots into the other. For example, psychological consequences result in physiological disorders and ultimately the organisation suffers from adverse effects. The ill effects of stress are more hazardous. Addiction to smoking, drinking alcohol, narcotic drugs, violence on women and children, criminal attitude, terrorism and offensive behaviour are some of the social consequences of stress. It is in this context that stress received more attention of the organisations, psychologists and the medical practitioners in recent times. A number of plan of action exist to overcome stress. Most of them suggest leading a peaceful, calm and regulated life.

Interestingly people overlook their life styles and suffer from stress. However, stress is not difficult to overcome.

6.11 Stress Management

Stress management has assumed greater significance in the modern organisations. More than organisations, persons are more concerned with the stress reduction. As we often used the statement that ‘prevention is better than cure’, prevention of stress is better than taking steps to cure stress. This is because stress once experienced has negative consequences. Though employee vies the stress with negative perception, there should be some degree of stress as moderate levels of stress is required for better performance. There is not any unanimous view with regard to what would be the acceptable level of stress. Moreover, there is a wide gap between theoretical and actual practice of stress management. For instance, doing yoga early in the morning and doing exercise is considered very effective way of fighting stress. However, there are very few who really sacrifice their morning cosy sleep for the sake of yoga and exercises. When they face the problem, people resort to yoga. Otherwise, they try their hands on taking allopathic medicine and they feel that it is an easy way than doing yoga and exercises. Individual and organisational stimuli causes stress, and the negative consequences are faced at individual and organisational levels. It needs to be balanced both by adopting individual and organisational strategies. The individual management techniques are more popular than organisational management techniques. Below mentioned are some of the techniques to handle stress.

1. Individual Management Individuals should assume their responsibility voluntarily and look for ways and means of handling their stress levels. Persons are more concerned about their health as they are required to look after their families. Following are some of the techniques which individuals can take on for reducing stress and its management.

Time Management: Time management and stress are inversely related. Poor management of time are the root cause of a greater degree of stress. Not doing their jobs on time causes anxiety. The following are some of the principles of time management which can be of help in combating stress.

- Making the proper time table of the activities to be done according to the priorities of the tasks to be completed.
- Arranging of the activities for the day based on importance and urgency.

- Preparing rational schedule of activities to be done.
- Analysing and understanding the daily cycle including nature of the job.
- Allocating time properly to various activities based on time demands.
- Delegating minor tasks to the subordinates in order to make use of the time in a better manner.
- Discouraging unwanted visitors and avoid time on unnecessary talks.
- Setting unfinished tasks on the top of list for tomorrow.
- Avoid using mobile phones unnecessarily while at job.

2) **Physical Management:** Management of stress become easy if one understands one' own biological and body conditions. Examining genetic characteristics habits like smoking and drinking, life styles and body conditions help in understanding one's physiological conditions. Overcoming stress is possible with overseeing physiological relaxation. Physical exercises greatly help in relieving tension and stress. When anybody does physical exercise, oxygen level optimises and blood circulation increases. This promotes healthy secretions from glands and the supply of blood to all the parts of the body keeps every organ active. Consequently, immunity level improves to resist the increase in stress levels. Physical exercises could be reactive or proactive. Physical exercises like walking, jogging, swimming, riding, aerobics and playing games considerably increases heart capacity, provide mental diversion from work pressures. These activities increase the heart capacity to withstand stressful situations. The chances of heart attack, adverse blood pressure and diabetics reduce.

3) **Psychological Management:** Most of the stresses arise because of psychological tensions. Therefore, it is suggested that managing psychological activities lead to effective management of stress. The following are some of the psychological management techniques.

i) **Relaxation:** Relaxation of mind through meditation, hypnosis and biofeedback can effectively manage mental stress. Meditation involves silently sitting on the ground taking deep inhalation and chanting mantra. This helps the mind and give deep relaxation. This technique relaxes body and mind. It also brings noteworthy changes in heart rate, blood pressure, lung capacity and other biological organs of the body. Transcendental Meditation, Soul Relaxation, Atma yoga, Antahkarana, Silence sitting position, Shavasana and praying the God are some of the relaxation techniques practiced for reducing stress.

ii) **Behavioural Self-control:** Stress also emanates from behavioural disorders. Having appropriate control over behaviour while communicating with others can be of great help in managing stress. Self-observation brings self-realisation of the individual. Likewise knowing the background and outcomes of own actions enables behavioural self-discipline. One can also remain stress free by developing appropriate awareness, practicing habit of good listening, maintaining calm and tension free mind compassion and positive attitude are some of the behavioural self-control techniques.

iii) **Cognitive Therapy:** It is a technique of clinical psychology. Cognitive therapy involves bringing knowledge about own emotions to liberate anxiety and tension. In this technique, individuals are made aware of the reasons causing stress in them by the process of self-observation. For example, if a worker is having a feeling that he is unskilled to handle a new job, counselling is given to develop a self-belief of capability to handle all the new jobs. Thus, with the support of cognitive therapy, a positive influence is created for the mental happiness. Cognitive therapy enables people to exercise self-control for relaxing stress.

iv) **Yogic Management:** In modern times, yoga is a useful method of relieving stress. Yoga practice involves Asana, Pranayama, Mudra and Kriya. Practicing a number of yoga asana relaxes mind and body, reduces blood pressure, relieves neurological problems, improves lung capacity, enhances proper flow of blood and helps in relaxing tensions and strains. Certain asana, which help stress relaxation are

Padahasthasana, Vajrasana, Sashankasana, Camel asana, Lotus asana, Crocodile asana, Sarvangasana, Shavasana.

4) **Social Management:** Developing and managing good social networks with peers group members who are good listeners and confidence builders. This increases social support to individuals. Encouraging informal groups communications for sharing information without hesitations, developing open platform for exchange of information, views and unpleasant experiences, promoting assurance of social support decrease tensions and stress. Social clubs, recreation clubs, friendship clubs, informal gatherings, birthday parties, and family are some of the social networks that increase social support and reduce stress.

5) **Self-awareness Management:** Self-awareness is similar to self-observations. Managers should support open communication and keen to listen to others particularly on their deficiencies. Being

aware of self is a difficult task, as individuals are unprepared to accept their defects. Self-awareness supervision involves three stages.

Stage – I: Identify, understand and analyse one's own skills, capabilities, limitations and defects.

Stage – II: Promote feedback from others viz., subordinates, peers, superiors, friends, family members and other social associations. This requires tolerant hearing without inhibitions.

Stage -III: Develop self-program to advance the skills, capabilities to conquer the limitations in a methodical way. Focus on self-management-training courses to develop the personality for overall development of self.

6) **Inter Personal Management:** One of the most thriving techniques of stress management is developing inter personal communications and understanding. Inter- personal communication, inter personal attraction and inter personal knowledge improve understanding of others behaviour. Generally misunderstanding is the source of organisational stresses which is created due to organisational politics, setting one self-aloof from others and encouraging untrustworthy comments. Therefore, maintaining honesty in communication and valuing suitable remarks facilitate development of inter personal understanding.

Organisational Management: In modern organisations, human capital are vital resources. The majority of the organisational stresses are due to the constitution and design of the organisation, policies, programs and procedure of the management and due to administrative styles and strategies. Thus, the main goals of the organisations should be in finding out the organisational stressors and eliminate them as far as possible. Organisations can adopt the following techniques of stress management.

1) **Selection and Placement Policy:** Stress and personality character of workers are strongly related. Consequently, selecting the workers, whose personality match with the job decrease the possibility of stress in the individuals. For example, a sales executive job requires extensive travelling rather than experience. If a person having a less interest in travelling is selected, he is likely to feel more stress in doing the job. Thus, right employment and selection policy should be followed by the organisation to reduce stress.

2) **Goal Setting:** Goal uncertainty, lack of proper awareness of goals, tough goal and unachievable goals cause stress in persons. Consequently, organisations should pursue a approach of worker's

involvement in goal setting to provide motivation, reduce irritation and ambiguity of goals. Management by Objectives (MBO) is an appropriate technique of goal setting which reduces stress.

3) Job Enrichment and Job Design: Job enrichment provides motivation to the employees. It enriches job factors like accountability, appreciation, and opportunity for improvement, growth and self-esteem. Ambiguous and badly designed jobs cause greater stress in individuals. Job redesign provides more responsibility, more motivation, more meaningful work, more self-sufficiency and increased feedback. This provides better command over work performance and reduces reliance on others. Therefore, job enrichment and job redesign provide an effective way of reducing stress.

4) Role Clarity: Organisational stress is connected with role ambiguity, role overlap, lack of role clarity and role conflict. Accurate role description helps workers to know their role in organisation and evaluate interpersonal roles. This greatly reduces the chance of role conflict and increases role compatibility. This helps in eliminating stress in the individuals. Wherever role difference arises, counselling and arbitration can be used to resolve inter- personal role conflict to avoid stressful situations.

5) Communication and Counselling: Barriers in communication are also most likely reasons of organisational stress. In organisations official communication creates a lot of problems of interpersonal misunderstandings. Thus, redesigning the official communication channels can perk up understanding and as a result reduce stress due to communication bottlenecks. Counselling is discussions of facts and views in a free and fair manner. It is proposed to share trouble of employees and try to cope up with the stressful situation. Counselling consists of suggestion, reassurance, communication, and release of emotional tensions, clarity in thinking. The techniques of counselling are non-directive, participative and directive.

6) Career Planning and Development: Workforce in general is free to plan their careers. However, establishments also aim at employee development through training programmes. The employee improvement is done through the enhancement of skills and the growth of personality for taking responsibility of potential managerial jobs. Stress is caused, when employees' prospect of their job in organisation are not satisfied and when employees get promotion without skill enrichment require for the job. Organisations take lesser interest in career planning of the

employees. Designing suitable career plans, education programs, development programs and organisation development considerably reduce employee's stress.

7) **Democratic Leadership:** Democratic leaders create assurance in the subordinates and allow involvement in the decision-making process. They create a feeling of kindness, companionship, and accommodating environment. Under such environment workers feel contented, motivated and psychologically dedicated to the attainment of objectives. In addition, communication is open, conflicts are avoided and coordination is enhanced. This enables employees to alleviate stress and support healthy work.

8) **Organisation Climate:** Organisation design is the fundamental cause for job stress. Bureaucratic, directive and unclear management and poor organisational environment leads to greater stress. A sound organisation environment and culture featured by sound administrative policy, good organisational communication, participative way of life and supportive climate ensure reduction of stress.

9) **Wellness Programmes:** Programmes that are based on employee's physical and psychological condition organised by the organization are known as wellness programmes. As part of these programmes, workshops, seminars and counselling sessions are conducted to help the workers, understand the dangers of smoking, alcoholism and drug abuse. They encourage an affirmative outlook for eating better things, fighting fatness, doing regular physical exercise and developing positive personality. However, these programmes are successful only when the worker himself takes personal interest in his physical and mental health. Organisations act as only a channel to promote programmes that facilitate in reduction of stress.

10) **Quality of Work Life:** This concept has been progressively more accepted in the recent years. This technique involves getting better with the working surroundings and other internal and external aspects of work life. In addition, providing good housing amenities, living surroundings, social and recreational facilities, training and development of workforce for all round development of human capital in the organisation, will develop quality of work life. Stress is a multi-faceted happening. The cause-and-effect relationship in stress is tricky to obtain as it is a qualitative psychological phenomenon. Furthermore, individuals fail to notice the symptoms of stress until they feel physiological breakdown. Otherwise, they resort to a number of unfriendly life practice and become addict of these practices. Changing their attitudes and habit is not an easy task. In

addition, large organisations function in a competitive and dynamic environment, organisational redesign, job redesign and administrative reorientation are more academic than realistic. Even personal strategies sound theoretically good, but be short of execution. Therefore, stress management programmes must be implemented cautiously for the reduction of stress.

6.12 Creating a Stress-Free Environment

Stress is both positive and negative. It has already been explained that mild to reasonable levels of stress helps in developing constructive behaviour in the organisation and it is good for the organisational health. Though, negative consequences of stress always overpower the positive ones. Consequently, it is usually settled that stress reduction is a serious worry to the management and individuals. The individual's responsibility should always be greater than organisational responsibility. This is because of the maxim that defending one's health is their sheer responsibility alone. Organisations conceivably help in just beginning certain programmes for stress reduction. It is pertinent not to mention that theoretical management of stress should be distinguished from practical management. Most of the individual techniques relate to the personality of the individuals. Certain techniques require the individuals to sacrifice the self-concept and comfortable levels. Thus, it is somewhat difficult to encourage the persons to become accustomed of the strategies of stress reduction. However, it should be understood that it is not an impracticable task. Creating stress free surroundings requires a thorough examination of the stressors, understanding, analysing the implications, appraising the costs and benefits and above all bring commitment to the programmes by varying the approach.

6.13 LET US SUM UP

Stress is psychological perception leading to both biological and behavioural disorders. Stress and personality, occupations, age, life styles and time demands are connected to each other. Stress is symptomatic. Remarkably extended stress leads to exhaustion. Stress is caused by a host of factors. Stressors are the factors that cause stress in persons. Stressors can be intra organisational and extra organisational. While individual stressors and organisational stressors are intra organisational, environmental stressors are known as extra organisational. Individual factors include personality, individual differences, family problems, and economic

problems, life styles and role demands. A number of organisational aspects cause stress in people. They include: poor working conditions, poor task design, unfair managerial policies and strategies,

improper organisational structure and design, organisational process and design, organisational leadership, organisational life cycle, and group dynamics. Environmental factors are: political, economical, technological, legal, ecological, government and social, cultural and ethical environment. Stress is deliberated as negative. Yet, it is not always correct. Eustress is a positive stress. Mild levels of stress help good performance. However, the negative consequences are more than the positive consequences. Physiological consequences are: increase in blood pressure, heart attack, cancer, sweating, frustration, anxiety and depression. Psychological consequences are: irritation, aggressiveness, moodiness, hostility, poor concentration, strains and anxiety. Abnormal behaviour is observed in Poor perception, unpredictable attitudes and poor learning are some of the behavioural consequences. Absenteeism, turnover, irrational decision making, disturbed customer relationships and consequently negative corporate image are observed due to stress. Stress management has assumed utmost importance in the modern organisations.

Individual management techniques are always better than organisational management practices. Certain individual strategies are: time management, physical management, psychological management, yogic management, social management, self-awareness management and inter personal management. Though, the role of organisations in the management of stress cannot be undermined. Organisations play a major role in the management of stress. Organisations follow techniques such as suitable selection and placement policy, goal setting, job enrichment and job design, role clarity, communication and counselling, career planning and development, democratic leadership, organisational climate and wellness programmes. Creating a stress free environment requires diagnosing and analysing the stressors. It targets at changing the approach of the workers. However, it should be remembered that practice of stress management is not as sound as theoretical management techniques. This is because most of the techniques require sacrifice of personal comfort. However, stress must be managed in a proper manner

6.14 Test your knowledge

Questions

1. Define stress and discuss its concept.
2. Explain the relation between Stress & Job Performance.
3. Discuss the determinant of stress with respect to Personality characteristics.

4. What are the factor responsible for organisational stress?
5. Discuss the positive and negative consequences of stress.
6. How a person can manage stress at its individual level?
7. How one can manage stress Psychologically?
8. How a stress free environment can be created at organisation level?

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UNIT 7: MOTIVATION AND ITS THEORIES

STRUCTURE:

- 7.1 Objectives**
- 7.2 Introduction**
- 7.3 Motivational and Productivity**
- 7.4 Meaning and Definition of Motivation**
- 7.5 Characteristics of Motivation**
- 7.6 Importance of Motivation**
- 7.7 Types of Motivation**
- 7.8 Techniques of Motivation**
- 7.7 Motivational Theories**
- 7.10 Let Sum Up**
- 7.11 Key Words**
- 7.12 Terminal Questions**

7.1 Objectives

After studying this unit, you should be able to

- Discuss the meaning and concept of motivation.
- Identify the importance and characteristics of motivation.
- Describe the techniques of motivation.
- Critically examine the Maslow theory of motivation.
- Analyse and explain Herzberg theory of motivation.

7.2 Introduction

Every management tries to coordinate various factors of production in such a way that their contribution is maximum in achieving organizational goals. The performance of non-human

factors like machines, etc. will depend upon the level of technology and the competence of those who use them. To improve the overall performance in a business it becomes essential to increase the efficiency of human beings. The performance of person depends upon two factors i.e. ability of work and motivation. Both the factors increase efficiency of human beings. In organizations, managers are responsible to achieve determined goals and perform tasks. An individual manager certainly needs other personnel and executives so that they may assist him in efficiently performing the function. Therefore, a manager must motivate his subordinates and it is also challenge of motivation that people can show their potential and perform more than expected. Organizational effectiveness becomes to some degree a question of manager's efficiency to motivate people in the organization. Motivation refers to the forces either within or external to a person that arouse enthusiasm and persistence to pursue a certain course of action. Employee motivation affects productivity, and part of manager's job is to channel motivation toward the accomplishment of organizational goals. Motivation helps managers understand what prompts people to initiate action, what influence their choice of action, and why they persist in action over time. The following are the features of motivation:

- Motivation is an act of managers
- Motivation is a continuous as well as goal-oriented process
- Motivation can be positive or negative.
- Motivation is system-oriented and complex in nature.
- Motivation is an art and it is different from job satisfaction.

7.3 Motivation and Productivity

In Organisations, managers are responsible to achieve determined goals and perform tasks. Can you imagine an individual manager who can perform all the tasks? An individual manager certainly needs other personnel and executives so that they may assist him in efficiently performing the functions. The goals can't be achieved unless the people of the organization are motivated. Therefore, a manager must motivate his subordinate. It is the Challenge of motivation that people can show their potentials and perform more than they are expected. Organizational effectiveness becomes to some degree a question of manager's efficiency to motivate people in the Organization. In the words of Likert and Rensis, "It is the core of management which shows that every human

being earnestly seeks a secure, friendly and supportive relationship which gives him a sense of worth in face-to-face groups which are most important to him”. Motivation makes a person feel that he can do something, he can do better and he must do something valuable. The goals of individual as well as organization can be achieved through productive performance, the result of motivation.

7.4 Meaning and Definition of Motivation

The term motivation is derived from the Latin word ‘**movere**’ which means ‘**to move**’. Motivation encourages people to take better initiative and interest in the work assigned. Motivation of a person influences his own behaviour. It is the duty of the manager to motivate employees to achieve goals of an organization and at the same time satisfy needs of the employees. Motivation is the inner psychological forces in an individual which induces him to act or not to act in a particular way. Thus, it is an art of getting things done willingly from others. Motivation avoids clashes and non-cooperation and brings harmony, unity and cooperative outlook among employees. Motivation means “any emotion or desire which so conditions one’s will that the individual is propelled into action.”

“Motivation is the act of stimulating someone or oneself to get a desired course of action to push the right button to get desired results.” Michael J. Jucius

“Motivation refers to the way in which urges, derives, desires, aspiration, striving, needs direct control or explain the behaviour of human beings.” McFarland

“Motivation is the willingness to exert high level of effort to reach organizational goals, conditional by the effort’s ability to satisfy some individual needs.” Robbins and Coulter

7.5 Characteristics of Motivation

Various characteristics of motivation are as follows: -

1. **Beneficial to Employees and Management** – Motivation offers benefits to both employees as well as organization as it reduces clashes and encourages cooperative outlook among employees. Motivation leads to collaborative relations between labour and management. It provides more profit to management and better welfare for its employees.

2. **Psychological Process** – Motivation is a psychological process which is useful for encouraging employees to take more interest and initiative in the work assigned to them. It relates to better and healthy human relations within the organisation.
3. **Goal-Oriented Process** – Motivation directs human behaviour towards achievement of certain goals. Attainment of organizational and individual goals depends on the motivational plans. As soon as the goals are achieved, employee would be no longer interested in work. Therefore, a new set of goals should be set so that the employee is motivated again to work with enthusiasm.
4. **Essence of Management Process** – Motivation is an essential function to be performed by a manager. He has to motivate his subordinates for achieving organizational objectives. Motivated labour force works an asset for business unit as motivated employees bring growth, stability and prosperity to a business organisation.
5. **Initiative by Manager** – The manager has to take initiative for motivation by offering guidance and also by other methods like appreciation of good work or offering incentives for better performance.
6. **Continuous Activity** – Subordinates need motivation in a continuous manner as their needs and expectations change from time to time. A manager has to analyse the needs of his subordinates and use the suitable technique of motivation accordingly.
7. **Various ways Available for Motivation** – Manager can offer various monetary and non-monetary incentives to motivate his employees to perform in a better way. Attractive wages, welfare facilities, job satisfaction, proper work environment, appreciation of good work, encouragement to self-development, job security and fair treatment are the some of the ways which can be used for motivating employees.
8. **Motivation is different from Satisfaction** – Motivation implies a drive towards achievement of a result while satisfaction involves result already experienced and achieved. When desire is satisfied, the employee is satisfied.
9. **Motivation is a Broad Concept** – Motivation is a comprehensive concept which includes needs, human relations and satisfaction of employees. For the motivation of employees, various monetary and other incentives need to be offered.

10. **Motivation is related to a Person in Totality** – An employee is motivated in totality and not in part. Employee's basic needs are interrelated. Management must fulfill all the needs through monetary and non-monetary incentives.
11. **Complex Process** – Motivation is a complex process because first it relates to human psychological behaviour. Second it cannot be measured easily. Since it is a hypothetical concept, it cannot be seen.
12. **Internal Feeling** – Motivation is an Internal feeling which may vary from person to person. It is an inner state which stimulates a person towards goals.

7.6 Importance of Motivation

Motivation is the important function to be performed by manager to get the initiative or loyalty to work from his subordinates. Importance of motivation can be explained by the following points: -

1. **Stimulating Employees-** Motivation is needed in order to stimulate employees to improve the performance. It is needed for optimum utilization of energy of employees so as to achieve the business objectives.
2. **Building High Morale** – Motivation is very useful in building high moral of the subordinates. Subordinates with high morale put their maximum efforts in order to achieve the organization's objectives.
3. **Facilitates Change** – Motivation is the important factor which help organization to overcome from the problem of resistance to change. Resistance to change is well tackled by motivation. Satisfied workers are more receptive to changes. They willingly work to achieve objectives of the business.
4. **Reduces Absenteeism and Labour Turnover** – When employees are motivated, they report for work on time. Job security and better amenities motivate employees thereby reducing labour turnover.
5. **Securing Employee Cooperation** – Motivation is needed for securing cooperation and willing participation of employees in the work assigned. It is also needed for creating efficient, stable and cooperative labour force, which is the real asset of a business.
6. **Maintaining Human Relations** – Motivation is needed in order to tackle the human relation problems, which the management faces from time to time. Motivation helps in creating healthy relations between management and employees.

7. **Develop Positive Attitude** – Motivated employees develop positive attitude towards work and life. They keep away from destructive activities. It is a direct gain to the employees.
8. **Raising Productivity and Efficiency** – By motivating the employees, organization can be able to increase its productivity and efficiency. Motivated employees can use their skills and organizational resources more efficiently and effectively.
9. **Efficient Utilization of resources** – Motivated employees of the organization always try to minimize the wastage of the resources and prevent them from being used in unproductive work. In this way, they help in efficiently utilization of the organization.
10. **Increased Performance** – Motivation and performance go hand in hand. Demotivated people do not feel inclined to engage themselves in work. However, performance depends on various factors but motivation plays a key role in higher performance.
11. **Acceptance of Organizational Changes** – As the technology, value system, society change, organizations also change. When these changes are introduced in the organizations, employees should attend these. If people are properly motivated, they will not resist these changes and welcome them.

7.7 Types of Motivation

For getting more work from his subordinates a manager has to motivate them and offer him incentives for improving their performance. He may also instill fear in them or use force for getting the desired work. The following are the types of motivation:

- **Positive Motivation:** It is based on the rewards and in this type of motivation the workers are offered incentives for the desired goals. Such type of incentives may be in shape of more pay, promotion, recognition of work etc. Positive motivation is achieved by the co-operation of employees that brings a feeling of happiness among them.
- **Negative Motivation:** It is based on force or fear which cause employees to act in a certain way which cause anger and frustration. The fear acts as a push mechanism where employees do not willingly co-operate, rather than want to avoid punishment.

7.8 Techniques of Motivation

Every management tries several techniques to motivate the employees so as to improve their performance which can be further classified into two categories i.e. monetary factors and non-monetary factors that can be described as follows:

I. MONETARY FACTORS:

(i)*Salaries or wages*: Salaries or wages must be paid on time which is one of the most important motivational factors. While fixing salaries the organization must consider such as:

- Cost of living
- Company ability to pay
- Capability of company to pay etc,

(ii)*Bonus*: It refers to extra payment to employee over and above salary given as an incentive. The employees are satisfied when they are given adequate rate of bonus.

(iii)*Incentives*: The additional incentives such as medical allowance, educational allowance, HRA, Allowance, etc. must be provided by organization.

(iv)*Special individual incentives*: The company may provide special individual incentives as valuable suggestions given to those deserve the same.

II. NON-MONETARY FACTORS:

(i)*Status or job title*: Every employee prefers and proud of higher designations. The Employer must focus on providing a higher status or designations that motivate the employee.

(ii)*Appreciation and recognition*: Employees must be appreciated for their services and that kind of praise should not come from immediate superior but also from higher authorities.

(iii)*Delegation of authority*: Delegation of authority motivates a subordinate to perform the tasks with dedication and commitment because the subordinate knows that his superior has placed faith and trust in him.

(iv)*Working Conditions*: Provision for better working conditions such as air-conditioned rooms, proper plant layout, proper sanitation, equipment, machines etc, motivates the employees.

(v)*Job security*: Guarantee of job security or lack of fear dismissal, etc can also be a good way to motivate the employees. Employees who normally remains temporarily for very longer duration may be frustrated hence, may leave the organization.

(vi)*Job enrichment*: Job enrichment means more challenging tasks & responsibilities. For example, an executive who remains involved in the preparation and presentation of performance reports is also asked to frame plans.

(vii) *Worker's participation*: It means to Invite the employee to be quality circle Member, or a committee Member, or any other form of employee participation also motivates the work-force.

(viii) *Cordial relations*: It strives on existence of Good and healthy relations throughout the organization. This definitely motivates the employees.

(ix) *Good superiors*: The Subordinates want that their superiors should be intelligent, experienced, matured, and having a good personality. In fact, the superior needs to have superior knowledge and skills as compared to that of his subordinates. Presence of superiors always motivate the subordinates.

(x) *Other factors*: There are several other factors of motivating the employees:

- Providing training to the employees.
- Proper job placements.
- Proper promotions and transfers.
- Proper performance feed-back.
- Proper welfare facilities.
- Flexible working hours.

9.9 Motivational Theories

7.7.1 Maslow's-Hierarchy of Needs Theory: This theory was suggested by Abraham Maslow and is based on the ideology that people get motivated by five universal needs. These needs arranged in hierarchy of their importance and priority. He concluded that when one set of needs is satisfied, it ceases to be a motivating factor. Thereafter, the next set of needs in the hierarchy takes its position. Maslow has noted the following assumption:

- I. Man is a wanting being, i.e., his wants are growing continuously even when some are satisfied.
 - II. A satisfied need is not a motivator.
 - III. Needs have a definite hierarchy of occurrences.
- **Physiological needs:** These needs are deemed to be the lowest- level needs. These needs include the needs such as food & water. So long as physiological needs are unsatisfied, they

exist as a driving or motivating force in a person's life. A hungry person has a felt need which cause tensions that manifest themselves in behaviors directed at reducing those tensions (getting something to eat). At this point (assuming that other physiological requirements are also satisfied) the next higher order need becomes the motivating need

- **Safety needs:** The needs for shelter and security which become the motivators of human behavior. Safety needs include a desire for security, stability, dependency, protection, freedom from fear and anxiety, and a need for structure, order, and law. These needs cannot be fired on a whim because in the workplace these needs translates into a need for at least a minimal degree of employment security; the knowledge and that appropriate levels of effort and productivity will ensure continued employment.
- **Social needs:** Generally, as gregarious creatures, human have a need to belong and the need focuses the need for belongingness and love. In the workplace, this need may be satisfied by an ability to interact with one's co-workers and perhaps to be able to work collaboratively with these colleagues.
- **Ego and esteem needs:** Esteem needs include the desires for self-respect, self-esteem, and the others esteem. When focused on external environment, these needs also include the desire for appreciation, reputation, status, fame, glory, dominance, recognition, attention and importance. These needs give the individuals a sense of self-worth and ego satisfaction.
- **Self-actualization:** After all other needs fulfilled, a man has the desire for personal achievement. The person wants to do something which is challenging and since this challenge gives him enough push and initiative to work that is also beneficial for him as well as for society. The highest need in Maslow's hierarchy is self-actualization, self-realization, continuous self-development, and the process to becomes all that a person is capable to become.

Critical Analysis of Theory:

Maslow theory has been widely appreciated but it has been criticised by many on the grounds:

1. Researchers have proved that there is lack of hierarchical structure of needs as suggested by Maslow, though every individual has some ordering for his need satisfaction. Some people may be deprived of their lower-level needs but may strive for self-actualisation needs. The example of MAHATMA GANDHI is one of the most important.

2. Another problem is that there is a lack of direct cause and effect relationship between need and behaviour. One particular need may cause different type of behaviour in different persons. On the other hand, as a particular individual behaviour may be due to the result of different needs. Thus, need hierarchy is not as simple as it appears to be.
3. Need and satisfaction of needs is a psychological feeling. Sometimes even the person may not be aware about his own needs. How can the managers come to know about these needs?
4. Some people say that hierarchy of need simply does not exist. At all levels needs are present at given time. An individual motivated by self-actualisation needs cannot afford to forget his food. But this criticism is solved by Maslow by saying that needs are independent.
5. Another problem with this theory is the operationalisation of some of his concepts which makes it difficult for the researchers to test his theory. For instance, how does one measure self-actualisation?

7.7.2. Herzberg's Two Factor Theory: This theory is also known as the Motivation-Hygiene Theory and it is derived from the study designed to test the concept that people have two sets of needs namely hygiene or maintenance factors and the motivating factors. He concluded that when hygiene factors are absent, it increases dissatisfaction but their presence is not motivating but only prevent dissatisfaction.

1) **SATISFACTION (MOTIVATION):** Five factors stood out as strong determiners of job satisfaction. They create positive and a longer lasting effect on employee's performance and are related to work itself. Such factors called as 'satisfiers' make people happy with their jobs which also leads to psychological growth.

- Achievement
- Recognition
- Work itself
- Responsibility
- Advancement

The last three factors were found to be most important for bringing about lasting changes of attitude. It should be noted, that recognition refers to recognition for achievement as opposed to recognition in the human relations sense.

2) **DISSATISFACTION (HYGIENE):** The hygiene factors meet man's needs to avoid unpleasantness but do not motivate them to take more interest in the work. These factors are related to the conditions of work than with the work itself. Company policy

- Administrative policies
- Supervision
- Salary and status
- Interpersonal relations with superiors, co-workers and subordinates.
- Working conditions
- Job security and Personal Life

According to Herzberg, the factors leading to Job satisfaction are separate and distinct from those that lead to job dissatisfaction. Respondents who felt good about their work tended to attribute intrinsic factors, such as work itself, responsibility and achievement seem to be related to job satisfaction. On the other dissatisfied respondents tended to cite extrinsic factors such as supervision, pay, company policies and working condition. Herzberg proposed a dual continuum that is based on his findings indicated the existence of: the opposite of "satisfaction" is "No satisfaction" and the opposite of "Dissatisfaction" is "No Dissatisfaction. Therefore, managers who seek to eliminate factors that can create job dissatisfaction may bring about peace but not necessarily motivation

Critical Analysis of Theory:

Herzberg's theory is appreciated on the ground that it provides an insight into the task of motivation by drawing attention to the job factors which are often overlooked. It shows the value of job enrichment in motivation. Thus, theory has solved the problems of managers who were wondering why their policies failed to motivate the employees adequately. This theory has not gone unchallenged and also criticised on some grounds:

- **Not Conclusive:** Herzberg study was limited to the engineers and accounts. The general workers are motivated by pay and other benefits and the professionals or white-collar workers may like responsibility and challenging jobs. The effect of hygiene and motivational factors may totally be reverse on some other categories of people.

- **Methodology:** Another criticism of this theory is directed at the method of research and data collection. The interviewers were asked to report exceptionally good or bad job experience. This defective information will always be subjective and biased.
- **Job Enrichment:** This theory has given too much emphasis on job enrichment and totally ignored job satisfaction of the workers. He did not attach much importance to pay, status or interpersonal relationship which are generally held as great motivators.

7.10 Let Sum Up

Motivation is very much needed for employees in an organisation to be productive, and management or leadership style has an important role to play. Motivation is not always based on financial rewards, but non-financial rewards methods can also be used to derive the best out of employees. Although individuals have their expectations, it is the leadership's responsibility to develop and align with theories that are suitable to bring job satisfaction to their employees. However, there is no single reliable theory to be used, a mixture of them can be utilized. In terms of empowering workforce, employees should be encouraged and given a platform to voice out their concerns on how they can be motivated. Rewards and promotions following performance appraisals maybe used to boost employee's moral as well as feedback. All employees should understand the company's vision and goals and work together towards those. Employees perform their duties diligently if they are inspired and motivated as the results will always be positive with efficient production. Organizations which are results oriented will go all the way to motivate their employees for them to reach their goals. Further qualitative research on motivation strategies and theories is recommended. T

7.11 Key Words:

- **Motivation:** is a process that initiates guide and maintain goal-oriented behaviour.
- **Reimbursement:** a sum paid to cover money that has been spent or lost.
- **Quality of working life:** describes a person's broader employment related experience.
- **Reinforcement:** the process of encouraging or establishing a belief or pattern of behaviour.
- **Social learning:** Learning through the observation of people's behaviours.

7.12 Terminal Questions

- I. Explain the concept of Motivation and its process. Which motivational factors influence the most the behaviour of individuals?
- II. Explain the Motivational Theories with examples.
- III. What is the concept of motivation? How does it affect behaviour? What happens when a person is not able to satisfy his needs?
- IV. Explain Herzberg's two factor theory and differentiate it from Maslow's theory.

Write short notes on:

- What is meant by negative motivation?
- Monetary factors of motivation.
- What are the motivators?

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UNIT 8: JOB DESIGN AND JOB SATISFACTION

Structure

8.0 Objectives

8.1 Introduction

8,2 Meaning

8.3 Definitions

8.4 Aspects To Be Taken into The Consideration While Designing the Job

8.5 Importance Of Job Design

8.6 Factors of Job Design

8.7 Models of Job Design

8.8 Job Re-Design

8.9 Job Satisfaction

8.10 Factors/Determinants of Employees' Satisfaction Levels

8,11 Approaches to Measure Job Satisfaction of The Employees

8.12 To Check the Progress

8.12.1 Long Answer Questions

8.12.2 Short Answer Questions and Answers

8.0 OBJECTIVES

After studying the Unit, you would be able to: -

- Understand the detailed concept of Job Design.
- Aspects to be taken into the consideration while designing the job
- Models of job design

- Factors/determinants of employees' satisfaction levels
- Importance of job design.
- Approaches to measure job satisfaction of the employees

8.1 INTRODUCTION

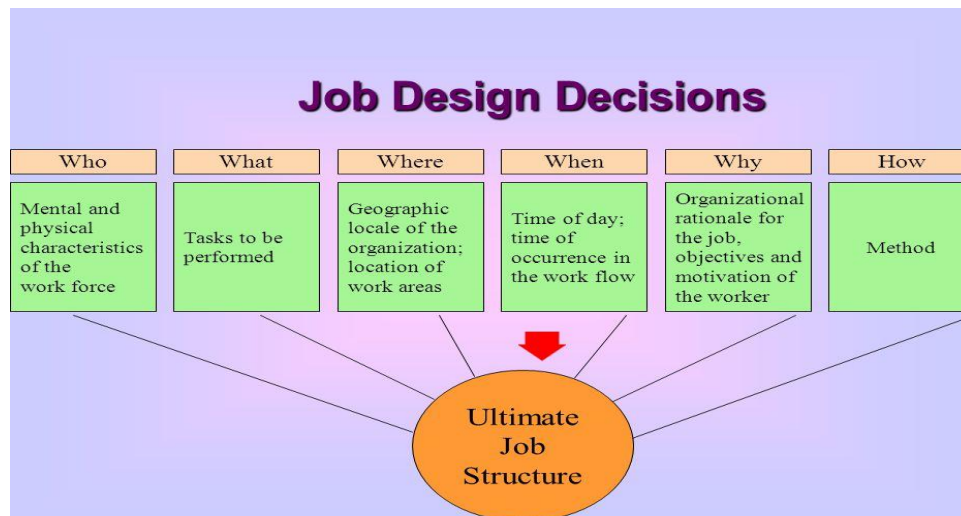
Every organization has specific pre-determined objectives which are to be achieved in a definite period of time with given resources. In order to attain these objectives, organization structures are created and maintained. Organizational structure consists of specific activities in form of jobs and tasks. The design of jobs and tasks is essential to direct the human energy in a proper manner. The **Job Design** means outlining the task, duties, responsibilities, qualifications, methods and relationships required to perform the given set of a job. In other words, job design encompasses the components of the task and the interaction pattern among the employees, with the intent to satisfy both the organizational needs and the social needs of the jobholder. The objective of a job design is to arrange the work in such a manner so as to reduce the boredom and dissatisfaction among the employees, arising due to the repetitive nature of the task. There are several important methods and techniques that the management uses while designing the jobs. These are Job Simplification, Job Rotation, Job Enrichment and Job Enlargement.

8.2 MEANING

Job design means deciding the contents of a job. It fixes the duties and responsibilities of the job, the methods of doing the job, and the relationships between the job holder (manager) and his superiors, subordinates, and colleagues. Job design refers to how a set of tasks, or an entire job, is organized. Job design helps to determine:

- What tasks are done,
- How the tasks are done,
- Why tasks are done,
- In what order the tasks are done (time).
- Who will perform the tasks?
- Where the tasks to be done.

These six important decisions are taken in job design and the following figure explains the six decisions in more precise way:



To understand the concept of Job Design, let us suppose, Mr. Avinash is a young professional recently graduated in Business Administration. He attended a job interview at a well-established multinational manufacturer. The interviewer clearly described the job that Mr. Avinash would do through a complete job description that showed a comprehensive job design. Mr. Avinash knew that his primary responsibility would be to evaluate effectiveness and cost of marketing campaigns developed by marketing departments operating at eight subsidiaries around the world. He likewise had to recommend changes, to define best practices, to unify methods and to train people personally in relation to the redesigned procedures. Reports, relationships and complementary activities were carefully described as part of the job design. The recruiter finally selected Mr. Avinash as the most adequate applicant because of the key qualifications required by the position were satisfactory found in him. In this example all the decisions relating the job design are described.

8.3 DEFINITIONS

Let us overview some of the definitions of job design given by prominent thinkers.

According to Taylor, "job design is complete written instructions describing in detail the task to be accomplished. The task specifies what is to be done, how it is done and exact time allowed for

doing it.” Job design is making components and sub components of job clear, so that each employee can understand the goals of the job.

Davis (1966) has defined job design as “the specification of the content, methods and relationships of jobs in order to satisfy technological and organizational requirements as well as the social and personal requirements of the job holder”. This definition focuses on the task completion with satisfaction aspect of the job design.

In fact, the job design is viewed from the perspective of total quality management. The jobs are designed to involve innovation, empowerment, autonomy and teamwork. Thus, job design as a quality of work life is concerned with the product, process, tools and techniques, design, plant layout, work measurement, standard operating procedures, human process, machine interaction and other activities related to job performance. From the above discussion, the following major features of job design can be drawn as:

- a. Job design is structuring of job tasks and responsibilities.
- b. Job design and quality of work life are related.
- c. Job design is both technical and managerial.
- d. It is concerned with job, motivation and behaviour of individuals.
- e. It is concerned with standardisation of job functions.
- f. The goal of job design is to maximise human efficiency in jobs.

8.4 ASPECTS TO BE TAKEN INTO THE CONSIDERATION WHILE DESIGNING THE JOB

The following aspects should be kept into mind before job designing:

1. The foremost requirement for a job design is to define clearly the **task** an individual is supposed to perform. A task is the piece of work assigned to the individual and who has to perform it within the given time limits.
2. The management must decide on the level of **motivation** that is required to be enforced on an individual to get the work completed successfully. Thus, the managers must design the jobs that motivate his employees.
3. The managers must decide critically on the amount of **resources** that needs to be allocated to perform a particular type of a job. Thus, the efforts should be made to make an optimum

utilisation of organizational resources while designing the job so that the organization does not suffer any dilemma due to the shortage of its resources.

4. When the jobs are assigned to the individual, he agrees to do it because of the **rewards** attached to it. Thus, the manager must include in the job design the compensation, bonuses, incentives, benefits and other remuneration method for the employees.

Thus, the job should be designed with the intent to find a fit between the job and its performer, such that the job is performed efficiently, and the performer experiences satisfaction while performing it and give his best efforts towards its completion.

8.5 IMPORTANCE OF JOB DESIGN

Job design and work organization deal with the specifications of the content, methods, and relationships of jobs in an integrated manner to satisfy technological and organizational requirements as well as the personal needs of employees. Job design is important for an organization to perform the organizational activities in the most efficient and effective manner. It provides the required information about the incumbent and also specifies the way of performing the tasks. Therefore, job design is very important for the organization due to its benefits as follows:

1. **Organizational Design:** The job design specifies the contents and procedures of performing the task in the organization. Hence, it helps in designing organizational structure. The organizational structure is determined by the job design process. It plays a key role in assessing the need and requirement of organizational structure. Job design also specifies organizational culture, norms and values that its members need to follow to achieve organizational goals.
2. **Structure of Competent Employee:** Job design is a systematic approach of providing job-related data and information on skills, knowledge and ability of the incumbent to perform the task. On the basis of the information provided by it, the job description and job specification schedule are prepared, which helps to the best suited candidate for the job. It provides a milestone to select the competent employee who is capable of performing the task well in the organization.
3. **Motivation and Commitment of Employees:** Job design makes the work more interesting and challenging, which motivates the employees for higher level of performance. The challenging and interesting job provides better pay for the employees to inspire them for improved job performance. Along with motivation job design also brings high degree of commitment in them

towards organizational objectives. This helps to increase organizational productivity and employee satisfaction at work.

4. **Environmental Adaptation:** An organization is operated in a dynamic environment. Hence, any change in the environmental forces can have direct impact upon organizational performance. Therefore, a systematic job design process tries to address the change that has occurred in the organizational environment. The process of job design and job redesign is prepared in such a way that it adapts the change in the environmental forces.
5. **Labour Relations:** A well prepared job design brings a harmonious relation between employees and management. On the other hand, poorly prepared job design creates employee-grievances, disciplinary actions, greater employee turnover, greater absenteeism and conflict.
6. **Quality of Work Life:** A quality of work life is understood as an efficient relationship between employees and organizational working environment. A properly prepared job design leads to improvements in quality of work life. With a good design of work schedules, people see a growing future in organization which ultimately leads to high motivation at work and a positive change in their thoughts and beliefs. Finally, these changes will have a direct impact upon the quality of work life.
7. **Organizational Productivity:** The job design specifies the contents and working procedures of how the task is performed. This leads to a positive change in job performance and job analysis. As a result of which, the organizational productivity will be enhanced through efficient work performance.

In short, job design clarifies the roles and tasks to be performed which reduces the ambiguities and overlapping in responsibilities. The efforts in the right direction make possible the better performance and much lesser stress among the employees.

8.6 FACTORS OF JOB DESIGN

A well-defined job will make the job interesting and satisfying for the employee. The result is increased performance and productivity. If a job fails to appear compelling or interesting and leads to employee dissatisfaction, it means the job has to be redesigned based upon the feedback from the employees. Broadly speaking the various factors that affect a job design can be classified under three heads.

They are:



1. Organizational Factors:

Organizational factors that affect job design can be work nature or characteristics, work flow, organizational practices and ergonomics.

- a. Work Nature- There are various elements of a job and job design is required to classify various tasks into a job or a coherent set of jobs. The various tasks may be planning, executing, monitoring, controlling etc. and all these are to be taken into consideration while designing a job.
- b. Ergonomics – Ergonomics aims at designing jobs in such a way that the physical abilities and individual traits of employees are taken into consideration so as to ensure efficiency and productivity.
- c. Workflow- Product and service type often determines the sequence of work flow. A balance is required between various product or service processes and a job design ensures this.
- d. Culture- Organizational culture determines the way tasks are carried out at the work places. Practices are methods or standards laid out for carrying out a certain task. These practices often affect the job design especially when the practices are not aligned to the interests of the union.

2. Environmental Factors:

Environmental factors affect the job design to a considerable extent. These factors include both the internal as well as external factors. They include factor like employee skills and abilities, their availability, and their socioeconomic and cultural prospects.

- a. Employee availability and abilities- Employee skills, abilities and time of availability play a crucial role while designing the jobs. The above-mentioned factors of employees who will actually perform the job are taken into consideration.
- b. Socio economic and cultural expectations- Jobs are nowadays becoming more employee centered rather than process centered. They are therefore designed keeping the employees into consideration. In addition, the literacy level among the employees is also on the rise. They now demand jobs that are to their liking and competency and which they can perform the best.

3. Behavioural Factors:

Behavioural factors or human factors are those that pertain to the human need and that need to be satisfied for ensuring productivity at workplace. They include the elements like job relations, diversity, feedback or employees' response, etc.

- a. Job Relations: As most of the organizational tasks require teamwork so cordial interpersonal relations is the key to create sound organizational climate.
- b. Employee Response: The ultimate objective of the job design is to maximize employees' satisfaction. Before finalizing the format of the job design and re-design management should get the opinions of the real doers, it will encourage them to perform well.
- c. Autonomy: Employees should have enough autonomy in their work and they should be allowed to take decisions on the daily routine activities.

8.7 MODELS OF JOB DESIGN

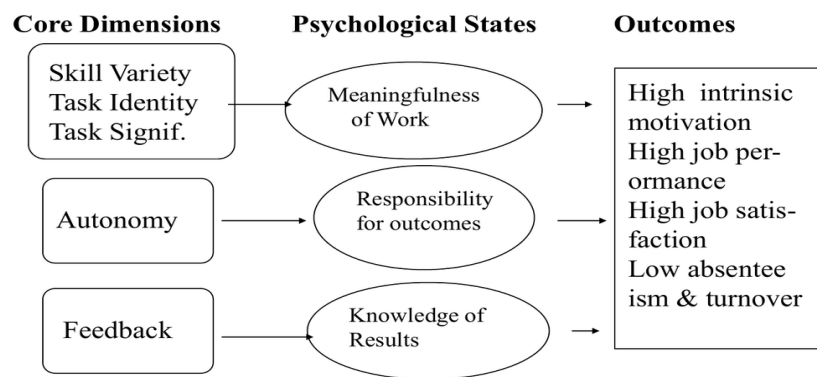
Important Job design models designed by various authors are mentioned below:

Various authors have designed useful job design models. Among them are the Hackman- Oldham Model, Motivating Potential Score Model, Contingency Model, Social Information Processing Model, Socio-Technical Design Model and the Employees Development Programme Model.

Job design is a continuous process. It aims at increasing the harmony between human effort and job. A number of factors influence the process of job design. Several models are developed to explain the influence of these factors. Various authors have designed useful job design models. Let us learn some important models.

1. **Task Characteristics Theory:** Task Characteristics theory was the outcome of the studies conducted by Turner and Lawrence. In these studies, an assessment was made about the effect of different kinds of jobs on employee satisfaction and absenteeism. The task characteristics were identified and scores were given. Higher scores on the characteristics indicate that the jobs are more complex and vice versa. The major findings of the theory reflect that employees prefer complex and challenging tasks. The challenging jobs provide more satisfaction. The result is lower absenteeism rate. In the process, the theory identified certain task characteristics, namely as; variety, autonomy, responsibility, knowledge and skill, social interaction and optional social interaction.
2. **Job Characteristics Model:** Based on the pioneering work of Turner and Lawrence, Hackman and Oldham propounded job characteristics model. The model identified certain job characteristics. It also identified the relationships between job characteristics and motivation, and performance and job satisfaction.

Hackman & Oldham's Job Characteristics Model



The above figure of the model showed that core dimensions viz., skill variety, task identity and task significance determine the meaningfulness of the work. The presence of these characteristics leads to the importance and more worth of the Jobs. While autonomy gives a feeling of responsibility for the outcome, feedback provides them an opportunity to evaluate their performance. According to the model, internal rewards are obtained when employees learn that they have performed well on a task. The more of these three psychological states are present, the greater will be employee's motivation, performance and satisfaction and the lower their

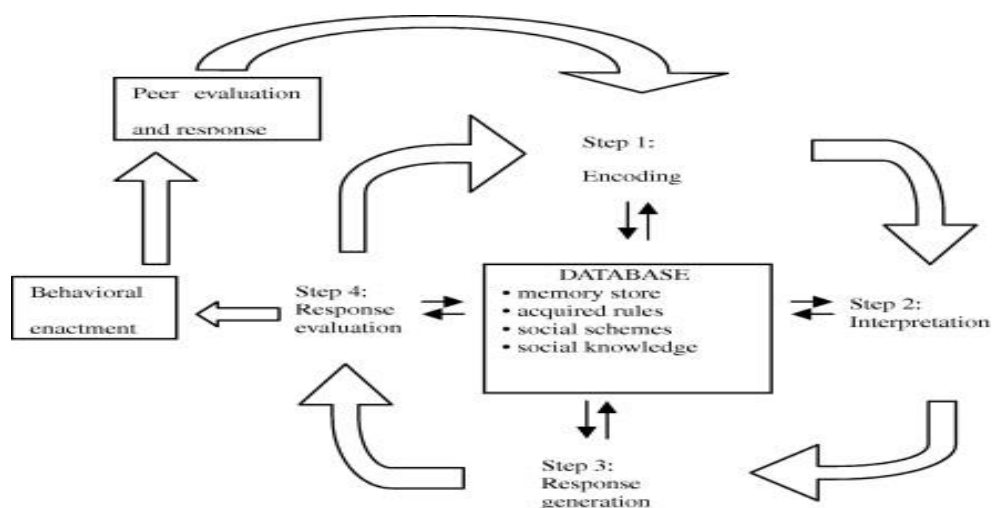
absenteeism and turnover. It should be noted that employee's need for growth determine psychological state and corresponding motivation and satisfaction.

3. **Motivating Potential Score Model:** Motivating Potential Score Model was developed based on job characteristics model. The model stated that three potential scores on the three core dimensions of job characteristics model possess additive property. The autonomy and feedback are multiplicative in nature. Thus, a motivating potential score is calculated.

$$\text{Motivating Potential Score} = \left[\frac{\text{Skill Variety} + \text{Task Identity} + \text{Task Significance}}{3} \right] \times \text{Autonomy} \times \text{Feedback}$$

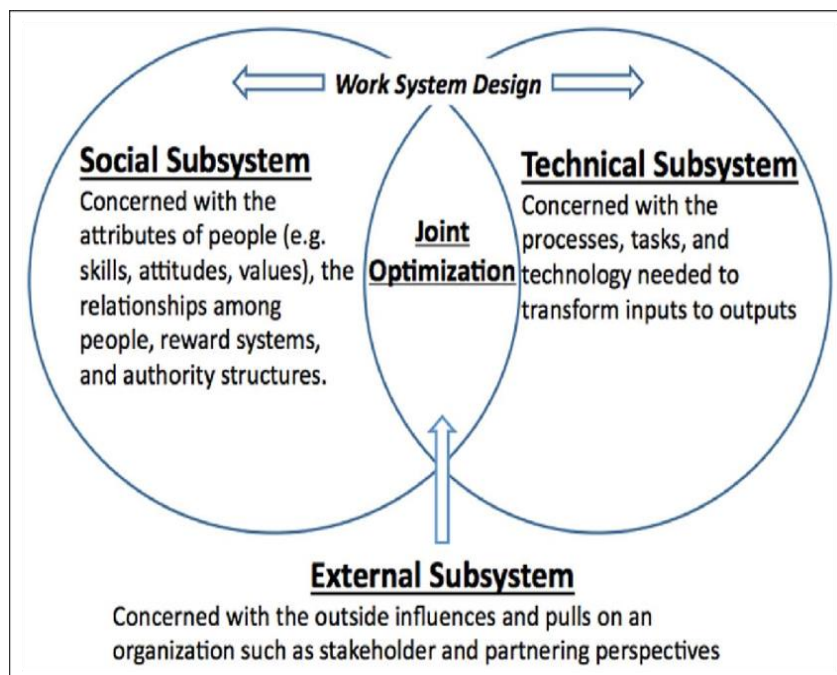
Above figure reveals that the motivating potential score is equal to the product of the average scores of skill variety, task identity and task significance and autonomy and feedback. Accordingly, the model proposes that people who work on jobs with high core job dimensions are generally more motivated, satisfied and productive. Job dimensions operate through psychological states in influencing personal and work outcome variables rather than influencing them directly. The model received appreciation for its mathematical properties.

4. **Social Information Processing Model:** Individuals are part of the society. They have inherent desire to associate and belong to others. Obviously, they wish to work in the groups rather than in isolation. Moreover, individuals focus on observational learning. Based on the inherent attributes of social belongingness of human beings, Dr. Kenneth Dodge (1988, 1993) developed Social Information Processing Model (SIP). This model is discussed as below:



Dr. Kenneth Dodge (1988, 1993) was fascinated with the way behavior comes about as a result of one's understanding and interacting with their world. He explained our cognitive processes by creating a theory called **social information processing**. It states that individuals choose to act a certain way in a given situation through a series of five stages. They include encoding, mental representations, response accessing, evaluation and enactment. Each of these stages is a progression in receiving information from the environment, making sense out of it and then acting. According to the Model, Employees adopt attitudes and behaviour in response to the social cues provided by work and other groups with which they associate. The groups are co-workers, superiors, subordinates, reference groups, friendship groups, family and customers. Therefore, information provided by the group on job aspects is more relevant than the basic job characteristics, employees' psychological states and outcomes of the jobs. Thus, the managerial strategy of job design is to consider information shared by the groups about the job. They can also influence the employee's attitude positively even to the poorly designed job by continuously counseling them about the jobs.

- 5. Socio Technical Model:** Socio-technical model emphasized on the assumption that employees are important in organizations. They should be given a good quality of working environment. Individual's development is essential for organizational development. Thus, the model suggested that jobs should be designed and redesigned to the needs of the employees.



The central tenet of the model is that job design should be developed based on the technical as well as social factors. Technical factors relate to the factors in the input, processing and output mechanism. Social factors relate to the relationships prevailing among employees and management. An appropriate job design makes a best balance among employees, jobs, technology and environment. Further, the model assumes that these factors change continuously. Thus, job design should include three important elements. They are socio-technical impacts, work teams and flexible work schedules. The model was considered as appropriate in developing job design because it considered technical and structural aspects along with human aspects. It was also found that labor management conflicts reduced and quality of the product improved. The cost reduction, increased turnover, quality of work life, innovation and creativity, product quality and positive behavioral changes are some of the benefits of this model. However, the model was criticized for the assumption that employees are matured enough to work as teams and adopt flexible work schedules.

6. Contingency Model: A contingency model of job design was developed to explain the impact of job design on the performance and satisfaction. It considered quality of work life as a significant factor. The model suggested that techniques and knowledge be given more emphasis in job design. The model identified that certain factors considered in the job design lead to satisfaction. They are:

- a. Job scope perceived as simple or complex.
- b. The high or low degrees of individual need strength.
- c. The nature and type of overall organizational design.

The two organizational designs are organic or mechanistic. Thus according to this model a combination of perception of job scope, the degrees of individual need strength and the type of organization structure determines the performance and satisfaction. Therefore, job design should be developed considering a number of permutations and combinations of these factors. The model has been used in developing social information processing model.

7. Employee Development Model: Modern organisations considered that organisational development is possible with employee development. They considered employees as human assets. They have a need for career growth and development. Therefore, it is not just enough

to consider technical and social issues in the job design. Accordingly, jobs are designed keeping in view the long run interest of the employees. The central tenet of the model is that employees should be competent, responsible and satisfied. It identified several aspects in the redesign of jobs. Some of them are scope for alcoholism treatment, nondiscrimination, encouraging discipline, creating consciousness, responsibility and providing generic monitoring and direction.

8.8 JOB RE-DESIGN

The job a worker does is a significant aspect of his/her life for more than one reason. It provides worker not only a living, but also helps in achieving his/her other goals such as economic, social, political and cultural. So much so, work is philosophized and treated as “worship” People who work for living spend a significant period of their lives at work. Hence, job needs to provide them satisfaction to sustain their interest in jobs. This is accomplished through job design. While other incentives provide extrinsic motivation, job design provides intrinsic motivation to the workers.

A job can be defined as a grouping of task within a prescribed unit or units of work. Job design is a deliberate attempt made to structure the tasks and social relationships of a job to create optimal levels of variety, responsibility, autonomy and interaction. In fact, the basic objective of job design IS to maintain a fit between a job and its performer so that the job is performed well and the job performer derives satisfaction from doing job. The important approaches or strategies a job design involves are job enlargement, job enrichment job simplification, job rotation, quality of work life and goal-setting. The various approaches to job design are summarized in the given figure below:



Each of these approaches is now discuss one by one:

1. Job Enlargement

Job enlargement consists of making a job larger in scope by combining additional task activities into each job through expansion. This is called horizontal loading. It, thus, focuses on enlarging jobs by increasing tasks and responsibilities. An example of job enlargement in a university may be assigning a professor the task of looking after the NSS activities besides his/her teaching in his/her Department. Similarly, a clerk in an office who is doing the typing work only may also be assigned the task of drafting letters, sorting of incoming mails and filing of letters.

Following are the advantages of job enlargement:

- a. Job enlargement avoids monotony which is the result of high degree of specialization and division of labor.
- b. It improves workers, satisfaction, decreased production costs, and increased quality.
- c. It also improves the worker's efficiency at work.
- d. Reduces boredom and monotony by providing the employee more variety of tasks in the job.
- e. Wide range of activities by increased work flexibility.
- f. No new skills, training are required.

In spite of above advantages, certain disadvantages of job enlargement cannot be lost sight of

These are:

- a. Workers may require additional training for performing enlarged tasks. Thus, the training costs tend to rise.
- b. Moreover, productivity may fall during the introduction of new system based in job redesigning.
- c. Lastly, workers often argue for increased pay because of the increased work load as a result of job enlargement.

2. Job Enrichment

Closely related to job enlargement is job enrichment. Job enrichment is a direct outgrowth of Herzberg's two-factor theory of motivation. It refers to the vertical enlargement of a job by adding

responsibility and opportunity for personal growth. In other words, job enrichment is concerned with designing jobs that includes a greater variety of work content, require a higher level of knowledge and skill, give worker more autonomy and responsibility, and provide opportunity for personal growth. Increases in job content vertically lead to variety, making repetitive jobs less boring but more satisfying. When one task sounds boring, combine it with another. One major benefit of this technique is that the employees will find their combined tasks more challenging. Therefore, the urge to complete this challenge will motivate them to finish the task.

The term job enrichment needs to be distinguished from the term job enlargement. The difference between the two lies on the nature of additions to the job. While job enlargement involves a horizontal loading, or expansion, or the adding of more tasks of the same general nature, job enrichment involves vertical loading, additionally giving more challenge.

The advantages of job enrichment are as follows:

- a. It makes the job more interesting.
 - b. It discourages absenteeism and turnover of workers.
 - c. It motivates employees through opportunities for growth and advancement.
 - d. Workers derive higher job satisfaction from doing work.
 - e. The enterprise also gains through improvement of output both in quantity and quality.
- However, job enrichment is not an unmixed blessing.

It suffers from the following limitations or disadvantages also:

- a. Technologically, it may not be easy to enrich all jobs.
- b. Enrichment of jobs has proved to be a costly preposition in certain cases as the expenditure exceeds gains.
- c. Adding challenges to highly skilled jobs may not necessarily bring satisfaction for highly professional ones.
- d. All those who prefer to job enrichment may not have the requisite capability to meet the new challenges.

Go through the following short case of job enrichment applied in Dynamo Corporation Limited Rampur. It will help you understand how job enrichment motivates workers to improve their job performance.

Job Enrichment in Dynamo Corporation Limited, Rampur:

An interesting study in job enrichment was undertaken by Professor Nitish De at the Rampur unit of Dynamo Corporation Limited. The corporation was set up for 10 years and produced items for the “core” sector (heavy engineering equipment). The study was conducted on managers, supervisors, and workers of a unit producing auxiliary equipment. An initial survey revealed that none of the workers was emotionally committed to the product; there was forced idle time because of task interdependence and uneven distribution of work load. Having worked for a long time at the same job, workers did not find it sufficiently challenging.

These findings were placed before the total unit, which agreed on setting up a rotating task force with representatives from each category and the introduction of a new work system. The new work system consisted of having a group of employees taking charge of a complete task and gradually taking on each other’s job after training. Thus, a welder did the job of a fitter, and a fitter did that of a welder or a gas cutter. Each worker became multi-skilled.

Three things were noted:

- a. Monotony was partially eliminated,
- b. The traditional hierarchical concept of trade was minimized, and
- c. A positive attitude towards co-workers and the work was developed.

There was an increase of 6.9 per cent and 45.3 per cent in relation to the targets and the overall efficiency respectively. Thus, changes in job content, greater variety, and freedom contributed to the performance of the employees.

3. Job Rotation

Some people have suggested job rotation also as a motivational strategy. In job rotation, a worker moves from one job to another, at the same level, that has similar skill requirements. Job rotation reduces boredom and monotony through changing employee’s activities. This has almost the similar effects as the job enlargement has. However, job rotation has certain drawbacks also.

The important ones are:

- (i) Work suffers from obvious disruption caused by change in job;
- (ii) Job rotation becomes less useful as specialization proceeds, and
- (iii) It may demotivate intelligent and ambitious employees who seek specific responsibilities in their chosen specialty.

There are also some other important techniques which can be used in job re-designing. Let us have a look:

4. Job Simplification

In case of job simplification, a job is broken down, to the extent possible, into smaller parts as is done in assembly line operations. Doing so fragmented task to increase in worker's productivity. However, the other side of doing the repetitive task is that job may produces boredom and monotony to the workers. This may, in turn lead to a tendency of absenteeism among them. Nonetheless, such type of job may be suitable for workers having low levels of skills and knowledge.

5. Quality of Work Life (QWL)

There have been divergent views as to what really is quality of work life (QWL). QWL refers to the favourableness or unfavourableness of a total job environment for people. The elements included in a QWL programme like open communication equitable reward system, employees' job security and satisfaction, participative management, development of employee skill, etc., make job environment favourable. Though one can catalogue a long list of factors that contribute to quality of work life, the following four are the broad and common ones:

- a. Job Involvement:** Job involvement indicates the extent a worker identifies himself/ herself with the work. Workers involved in their jobs spent more time on their jobs. Challenging jobs make workers to get involved with their jobs. Besides, people with high need for achievement and high work ethic are also found to be involved with their jobs.
- b. Job Satisfaction:** Job satisfaction refers to one's good or positive feeling toward his/her job satisfaction improves work performance and reduces employee absenteeism and turnover.

- c. **Sense of Competence:** Job involvement ultimately results in sense of competence. Sense of competence denotes the feelings of confidence that one has in one's own ability, skill or competence. High sense of competence and job involvement combined produce high levels of job satisfaction and productivity.

8.9 JOB SATISFACTION

Job satisfaction, an unquantifiable metric, is defined as a positive emotional response you experience when doing your job or when you are present at work. Leading organizations are now trying to measure this feeling, with job satisfaction surveys becoming a staple at most workplaces. It's important to remember that job satisfaction varies from employee to employee. In the same workplace under the same conditions, the factors that help one employee feel good about their job may not apply to another employee. For this reason, it is essential to have a multidimensional approach to employee satisfaction, covering the following areas:

- The challenging nature of work, pushing employees to new heights
- A level of convenience (short commutes, access to the right digital tools, and flexible hours)
- Regular appreciation by the immediate management and the organization as a whole
- Competitive pay, which employees maintain a good quality of life
- The promise of career progression in sync with employees' personal growth targets.

There's no one definition of job satisfaction, and factors contributing to it will depend on the nature of your workplace. For example, a satisfied employee in the manufacturing sector looks different from a satisfied software developer. However, there are ten traits that every workplace geared toward employee well-being and satisfaction will have in common. **Job satisfaction** is a psychological aspect. It is an expression of feeling about the job. **Job satisfaction** is an attitude. It is a permanent impression formed about the job. Employees interact with people and other resources while working with the job. In the process, they experience positive or negative feelings about the job context and content. The **concept of job satisfaction** has gained importance ever since the human relations approach has become popular.

8.10 FACTORS/DETERMINANTS OF EMPLOYEES' SATISFACTION LEVELS

Most Important Determinants of Job Satisfaction are as discussed here as under:

Job satisfaction is intangible and it is multi-variable. A number of factors influence job satisfaction of employees. They can be classified into two categories. They are organizational and personal variables. They are discussed below:

1. **Organizational Determinants:** Employees spend most of the time in organizations. Therefore, a number of organizational factors determine job satisfaction of the employees. Organizations can increase job satisfaction by organizing and managing the organizational factors. Let us learn the organization **determinants of job satisfaction**.

- a. **Wages:** Wage is the amount of reward worker expects from the job. It is an instrument of fulfilling the needs. Everyone expects to get a commensurate reward. The wage should be fair, reasonable and equitable. A feeling of fair and equitable reward produces job satisfaction.
- b. **Nature of Work:** The nature of work has significant impact on the job satisfaction. Jobs involving intelligence, skills, abilities, challenges and scope for greater freedom make the employee satisfied on the job. A feeling of boredom, poor variety of tasks, frustration and failure leads to job dissatisfaction.
- c. **Working Conditions:** Good workings conditions are needed to motivate the employees. They provide a feeling of safety, comfort and motivation. Poor working conditions give a feeling that health is in danger.
- d. **Job Content:** Job content refers to the factors such as recognition, responsibility, advancement, achievement etc. Jobs involving variety of tasks and less repetitive in nature result in greater job satisfaction. A job, having poor content produces job dissatisfaction.
- e. **Organizational Level:** Higher level jobs are viewed as prestigious, esteemed and opportunity for self-control. Employees working at higher level jobs express greater job satisfaction than the lower-level jobs.
- f. **Opportunities for Promotion:** Promotion is an achievement in the life. Promotion gives more pay, responsibility, authority, independence and status. Therefore, opportunities for promotion determine the degree of satisfaction to the employees.
- g. **Work Group:** Existence of groups in organizations is a common phenomenon. It is a natural desire of human beings to interact with others. This characteristic results in formation of

work groups at the work place. Isolated workers dislike their jobs. The work group exerts a tremendous influence on the satisfaction of employees. Satisfaction of an individual depends largely on the relationship with the group members, group dynamics, group cohesiveness and his own need for affiliation.

2. **Leadership Styles:** Leadership style also determines the satisfaction level on the job. Democratic leadership style enhances job satisfaction. Democratic leaders promote friendship, respect and warmth relationships among the employees. On the other hand, employees working under authoritarian leaders express low level of job satisfaction.
3. **Personal Determinants:** Job satisfaction relates to the psychological factors. Therefore, a number of personal factors determine the job satisfaction of the employees. They are mentioned below:
 - a. **Personality:** Individual psychological conditions determine the personality. Factors like perception, attitudes and learning determine the psychological conditions. Therefore, these factors determine the satisfaction of individuals.
 - b. **Age:** Age is a significant determinant of job satisfaction. Younger age employees possessing higher energy levels are likely to feel more satisfied. As employees grow older, aspiration levels increase. If they are unable to find their aspiration fulfilled, they feel dissatisfied.
 - c. **Education:** Education provides an opportunity for developing one's personality. It enhances individual wisdom and evaluation process. Highly educated employees possess persistence, rationality and thinking power. Therefore, they can understand the situation and appraise it positively.
 - d. **Gender Differences:** The gender and race of the employees determine Job satisfaction. Women are more likely to be satisfied than their counterpart even if they are employed in small jobs.

Certain other factors that determine job satisfaction are learning, skill autonomy, job characteristics, unbiased attitude of management, social status etc. Managers should consider all these factors in assessing the satisfaction of the employees and increasing their level of job satisfaction. Many organizations face challenges in accurately measuring job satisfaction, as the definition of satisfaction can differ among various people within an organization. Despite

widespread belief to the contrary, studies have shown that high-performing employees do not feel satisfied with their job simply as a result of high-level titles or increased pay. This lack of correlation is a significant concern for organizations since studies also reveal that the **implementation of positive HR practices** results in financial gain for the organizations.

A person's job is more than just the obvious activities of shuffling papers, writing programming code, waiting on customers, or driving a truck. 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 or her job is a complex summation of several discrete job elements.

8,11 APPROACHES TO MEASURE JOB SATISFACTION OF THE EMPLOYEES

1. Single Global Rating.
2. Summation Score.
3. Job Diagnostic Survey.
4. Job Satisfaction Index.
5. Job Satisfaction Survey.
6. Minnesota Satisfaction Questionnaire.
7. Job Satisfaction Relative to Expectations.
8. Global Job Satisfaction.
9. Job Descriptive Index (JDI).

Let us discuss them in brief:

1. **Single Global Rating:** 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? **Summation Score:** It identifies key elements in a job and asks for the employee's feelings about each. Typical factors that would be included are the nature of the work, supervision, present pay, promotion opportunities, and relation with co-workers.

2. **Job Descriptive Index (JDI):** In 1969, this was originally developed by Smith, Kendall, and Hulin. 72 items in this index assess five facets of job satisfaction which include: work, pay, promotions, supervision, and co-workers. Through the combination of ratings of satisfaction with the facets, a composite measure of job satisfaction is determined.
3. **Global Job Satisfaction:** In 1979, Warr, Cook, and Wall developed this measure which includes 15 items to determine overall job satisfaction. Two subscales are used for extrinsic and intrinsic aspects of the job. The extrinsic section has eight items and the intrinsic has seven items.
4. **Job Satisfaction Relative to Expectations:** Bacharach, Bamberger, and Conley developed this measure. It assesses the degree of agreement between the perceived quality of broad aspects of a job and employee expectations. It is most effective to determine how job stress's role conflicts, or role ambiguities can hinder an employee from meeting job expectations.
5. **Minnesota Satisfaction Questionnaire:** The long-form of this survey is made up of 100 questions based on 20 subscales which measure satisfaction with ability, utilization, achievement, activity, advancement, authority, company policies and practices, compensation, co-workers, creativity, independence, moral values, recognition, responsibility, security, social service, social status, supervision human relations, supervision-technical variety, and working conditions.
6. **Job Satisfaction Survey:** This was developed by Spector and contains 36 items based on nine job facets. The job facets include pay, promotion, supervision, benefits, contingent rewards operating procedures, co-workers, nature of work and communication. When it was initially developed, it was specific to job satisfaction in human service, non-profit and public organizations.
7. **Job Satisfaction Index:** Schriesheim and Tsue developed this measure. It consists of six items that form an index that determines overall job satisfaction. The items are work, supervision, co-workers, pay, promotion opportunities, and the job in general.
8. **Job Diagnostic Survey:** Hackman and Oldham developed this survey which measures both overall and specific facets of job satisfaction. There are three dimensions of overall job satisfaction which include general satisfaction, internal work motivation, and growth satisfaction, which are combined into a single measure. The facets which are measured on the survey include security, compensation, co-workers, and supervision.

9. **The Job Descriptive Index:** The JDI is a 72-item test, of sorts, to help measure an individual's level of job satisfaction. Researchers and workplace officials use the tool to decipher employee attitudes about various portions of the workplace. Other types of job satisfaction surveys have come and gone, but the Job Descriptive Index remains thanks to how easy it is to administer, take and decipher the results. Once the index has been completed by employees, the numbers can be compared to a sample size of workers from across the United States. Here's how it works: Employees are asked about five dimensions of their job (which we'll discuss below) and given an opportunity to say 'yes,' 'no' or 'undecided' to descriptive terms about the workplace. After testing, each word is assessed its numerical value that reflects how well it describes a satisfying job. Items in each category are tallied and a total score is created. Let's look at the five areas the JDI index wants to know more about.

Before measuring the job satisfaction of the employees, managers should get information about the daily contacts and existing data related to the employee. Managers should have contact with their employees through constant interaction and communication. Generally, there are many indicators already available in the organization and their collection in the form of reports indicates the **degree of employee satisfaction or dissatisfaction.**

8.12 TO CHECK THE PROGRESS

8.12.1 Long Answer Questions

1. 'Job design is essentially a strategy of human resource management' Elucidate.
2. 'Job design encompasses a number of factors: organisational context factors, task factors, job context and content factors, and employee factors.' Discuss with examples.
3. Examine the task characteristic theory of job design.
4. What is MPS? Explain its mathematical properties of motivating potential score.
5. Explain the social information-processing model.
6. 'Socio technical impacts, work teams and flexible work schedules determine the job design' Discuss.
7. Discuss the employee development model of job design.

8. 'Job design is developed to integrate all the factors such as cultural, social, technical and other situational factors'. Explain.
9. Examine various job redesign strategies. Do you think that they help in improving the organizational efficiency? Discuss.
10. 'Several environmental factors are considered in the job reengineering'. Discuss.
11. Define job satisfaction. Explain its characteristics.
12. 'Job satisfaction is an inner feeling; it is influenced by various organisational and personal variables. Elucidate.

8.12.2 Short Answer Questions and Answers

1. Define job design.
2. What are the characteristics of job design?
3. Distinguish between job enrichment and job enlargement.
4. How do you measure job satisfaction? Explain.
5. 'Job satisfaction has both positive and negative impacts. Explain.

M. COM

SEMESTER-I

COURSE: ORGANISATION THEORY AND BEHAVIOUR

UNIT 9: GROUP FORMATION AND STRUCTURE, COMMUNICATION

Structure

9.0 Objectives

9.1 Introduction

9.2 Concept of Group

9.2.1 Important Features of Group

9.2.2 Some Definitions

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9.2.4 Significance of Group Behaviour

9.3 Group Formation

9.3.1 Factors of Group Formation

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9.3.3 Theories of Group Formation

9.4 Group Cohesiveness

9.5 Let Us Sum Up

9.6 Communication

9.6.1 Historical Background of Communication

9.6.2 The Communication Process

9.6.3 Functions of Communication

9.6.4 Importance of Communication

9.6.5 Characteristics of Communication

9.6.6 Communication Network

9.6.7 Barriers to Effective Communication

9.7 To Check the Progress

9.7.1 Long Answer Questions

9.7.2 Short Answer Questions and Answers

9.0 OBJECTIVES

After reading this unit you should be able to:

- Describe the meaning and concept of group
- Discuss the characteristics of group
- Describe the significance of group behaviour
- Explain group formation and its theories
- Analyse the types of groups
- Understand the importance of effective communication in an organization.
- Explain the effective process of communication in an organization.
- Identify various barriers which results in lack of effective communication.
- Understand how an effective communication can be done.

9.1 INTRODUCTION

In a society, individuals form or joins a group, as social beings, they cannot remain aloof from others. Every organisation depends on group formation or teams because some tasks are difficult to be performed by individuals alone. A group acts as ‘whole is greater than sum of its parts’. These days organisations need to gain competitive advantage and for that they must accomplish its goals. Thus, a collection of individuals who are assembled to work together on organisational activities directed towards its goals is called a group. This unit deals with the concept of group, their definition and significance of group behaviour. Also, the unit describes how groups are formed, various types of groups and their structure and theories of group formation. The unit provides information on basic aspects concerning groups and their formation.

9.2 CONCEPT OF GROUP

A group is formed when two or more people interact with each other in such a way that one has certain impact on the other. In other words, a group is defined as collection of individuals interacting and interdependent who come together to achieve particular objectives. Each person influences and is influenced by each other. 'Group' has many different meanings, which can be defined as;

- i. People sitting or working in proximity at a given time with or without any common goal.
- ii. People may not be sharing any relationship but belongs to an association together and have some common characteristics.
- iii. People who belong to an organisation, has a definite group structure and share a sense of belongingness with each other.

Group has two important elements i.e., group interaction and common goal. The group interaction means regular discussion and communication among members. Group interaction has a strong influence on the behaviour of employees. Whereas, the common goal is what the group has agreed to achieve termed as group goal. This group goal binds them together and they make efforts to achieve in the direction of realisation of the goal. Thus, only gatherings cannot be called as a group.

Sometimes, we get confuse between the concept of group and team. A team is also a group of people but it is formally formed by the organisation. Thus, the basic difference between a group and a team is that, the group can be formed informally also by the employees for their social or some other kind of needs. But the team is always constituted by the organisation in a formal way.

9.2.1 Important Features of Group

Let's have a quick glance of what it takes to be a group and what are the basic and important features of group. Thus, the collection of individuals is called as a group when:

- More than one individual come together and influence each other.
- Individuals have a common goal.
- Individuals have social interactions and relationship.
- Being a part of group, the behaviour of members is interdependent on each other.
- They have common motives, drives, emotions and interests.
- The actions of members are controlled by the group.

- Members have to follow certain customs, norms and procedures which are acceptable to everyone.

9.2.2 Some Definitions

“A social group is a given aggregate of people playing inter-related roles and recognised by themselves or other as a unit of interaction.”– R.M. Williams (1951)

“By group we mean any collection of social beings who enter into distinctive social relationships with one another.” – R.M. MacIver (1953)

“A psychological group means when 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.” – Kretch, Crutchfield and Ballachy (1962)

“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.” – David (1968)

“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.” Paulus (1989)

9.2.3 Characteristics of Group

Group is a unit of an organisation. The organisation is dependent on the integration and disintegration of groups for its working. Thus, it is essential to study the formation of group and its structure which is best described from its characteristics. Group has certain significant features which can be discussed as;

- Size:** A group is formed with at least 2 members and ideally it can include up to 20 members, so as to avoid the complexities of being in a large group.
- Common Goals:** A group is considered as valuable if the group members have common interest. People who are brought together for a reason might have individual goals but in a

group they are defined by the common goals of the group. Similar goals promote unity in the group which is essential for its existence.

- iii. **Shared Norms:** A group follows certain norms for making the group interactions more effective. Norms are certain acceptable behavioural expectations established by the group. These norms guide the group interactions to help them to achieve their goals.
- iv. **Synergy:** A group is an aggregation of individuals. When these individuals work in teams, they can accomplish things which they wouldn't be able to do on their own.
- v. **Interaction:** A group for its existence must probably develop interaction among its members. The interaction should be providing motivation to its members to work efficiently. Only purposeful interaction serves the motive for the existence of a group. A purposeful interaction involves problem solving, role playing, team building and trust building in a group.
- vi. **Cohesiveness:** A group experience a sense of cohesiveness amongst members who develop a sense of unity and withstand with each other during the time of need. They share a feeling of belongingness while performing their duties. They work collectively in problem solving.

These characteristics give an identity to the existence of a group. In a group, people are interdependent to achieve common goals. Thus, a group can be turned into a success if the members work collectively.

9.2.4 Significance of Group Behaviour

It is important to understand the behaviour of group for an organisation. A single individual is unpredictable and complex to understand then to understand the behaviour of a group. Many a times, it is seen that people behave differently when they work in group than they work individually. Thus, it becomes important to study group behaviour. A group can create either wonder or havoc. In today's time, IT sector is flourishing with the significant role of group behaviour in it. If it functions properly, members work in better coordination to solve the problems. Group behaviour fills the gap in manager's ability. A proper channel of communication and interaction help the members to share their thoughts. Members built better relations and help each other in their kind of work. The significance of group behaviour can also be understood from achievement of group goals, social facilitation and proper functioning of group.

Group goals: For any group in an organisation, setting of group goals is an important step for members to work together. Goals are basically a desired future condition may be expressed either

in qualitative or quantitative form. Every organisation strives for the achievement of these goals. Although members may have different goals, but some of their goals are identical and referred to as common goals.

Group Function: In an organisation, work performed by group members to achieve its goals is called as group function. Formal group functions according to the instructions and assigned tasks of the organisation, whereas, informal group functions according to the mutual decisions of the members. The group functions directed towards the accomplishment of organisational goals influences the behaviour of its group members. The group provides them a sense of purpose of their work and motivates them to achieve the target.

Social Facilitation: The group members always influence the performance of other members. The members either stimulate the efforts of other or create obstacle in performing the task. When members think they are being observed and evaluated by other members, this induces the desire in them to work better in the group and thus facilitates their performance. Likewise, if their performance is not liked by others, then they show little interest in doing that task for the group. Therefore, a leader may create such an environment in which members facilitates performance of others.

9.3 GROUP FORMATION

The group is formed or developed in a way forming the association of people to work as a group. The group's actions are directed towards the accomplishment of common goal. In this way, a team is built and developed. Group formation is basically concerned with the manner in which a group is formed. It involves the whole structure and processes of group. The functions of the group in different situations are observed. Group formation is the collective efforts of 5 stages given by Bruce Tuckman in the year 1965 – Forming, storming, norming, performing and adjourning.

- In forming stage, group members get to know about each other. They come together and develop their relationship on the basis of their expectations.
- In Storming stage, members raise voice on their concerns and may have to face highest level of disagreement, conflict and criticism.

- In norming stage, individuals' expectations and differences are recognized. The group try to resolve its conflicts and see how it will evaluate progress. Responsibilities are divided among members and they make efforts to give acceptance to expectations coming from members.
- In performing stage, the group becomes mature and members work in cohesiveness. Members take rational decisions and working effectively for the achievement of group goals. Issues related to role and expectations are no longer given importance at this stage.
- In adjourning stage, members prepare to leave for the closure with sadness and other feelings. The group goal has achieved at this stage and therefore, the group dissolution starts. The group members look forward for new goals coming way.

9.3.1 Factors of Group Formation

There are various factors influencing group formation in an organisation. The factors are classified on the basis of psychological needs, social needs, security needs, economic needs and cultural needs of individuals working in an organisation. The factors influencing are:

- Psychological Factors:** The individuals who are part of an organisation develop a psychological need to join group of people within the organisation whom he finds having the matching interest, personality, attitude and perception. The psychological need relates to the attachment, orientation, pleasure and self enhancement required for the mental health.
- Social Factors:** The individuals working in organisation develops social needs such as love, affection and care. In order to satisfy those needs, they join group of people on the basis of their social class, caste and religion. These groups are formed as employees feel deprived after leaving their family.
- Security Factors:** The individuals working in an organisation develops security need whenever they feel insecure relating to unexpected health problems, termination, suspension and personal problems. Then they join group of people to feel secure and motivated at workplace.
- Economic Factors:** When individuals work in an organisation, they demand economic incentives in return as per company's rules and regulations. But when sometimes those benefits cannot meet individual's contingency need required for some obligations, then they form group with those people who help them in need.

- v. **Cultural Factors:** In an organisation, people come to work from different culture and society. In some cases, they have to work far away from their place of origin which makes them feel isolated. Due to this reason, most of the individuals form group with people coming from same culture, tradition, language to cover up the isolation which will occur in the absence of such groups.
- vi. **Proximity, Interaction, Interest and Influence:** In an organisation, people have to work together to achieve the organisational goals. Due to similarity of nature of job, they have to interact with each other in the organisation. While interacting on regular basis, interest develops which ultimately influences them and form a group where they can sit, eat, discuss & share things apart from working together.

9.3.2 Types of Groups

The formation of group is an inevitable phenomenon in every organisation. There exist different types of groups in the organisation which are formed for some or the other reason. These groups can be classified in various ways. Let's discuss about the formal and informal type of group classified on the basis of their formation.

Formal Group: This type of group is formed by the organisation specifically for the purpose of achieving its goals. The behaviour exhibited by members in such group is based on the organization's objectives. These groups certainly work in order to accomplish the needs of the organisation such as increasing product quality, safety and discipline etc. There are different types of formal groups which are discussed here:

- i. **Command Group:** This group is made up of subordinates and their supervisors in the organisation. In such groups, members of a group report to the same supervisor. The command group can be clearly seen in an organizational chart. The leader of a command group plays significant role in determining the effectiveness of these groups.
- ii. **Task Group:** This group is formed by members who are working together to accomplish a specific task. The group members need not belong to the same organization for forming task group. The group members may cross organizational boundaries in such case and work on a common goal.
- iii. **Self -Managed Work Teams:** In this type of group, the teams are managed by the leader decided by members themselves. The members themselves take the responsibility that they

accomplish common goals collectively. The team members create a discipline and ensure the performance is at adequate level. This concept is gaining popularity these days as individuals come forward and learn to coordinate their efforts in a better way.

- iv. **Committees:** Such groups are formed by organisations to accomplish a specific goal and once the goal is achieved the committee disbands. These committees may include the members outside the typical command group structure. They are formed to solve recurring problems and are known as standing committees.

Informal Group: This type of group is formed as a response to the need for social contact. Such groups are not formally controlled by the organisation. Due to ideological similarity and need for affiliation and friendship people tend to form informal groups. They seek each other's help to meet their need and achieve their goals. These can be classified as:

- i. **Friendship Group:** These groups involve people who like each other's company and spend more time together. Such people may socialise with each other off the job also. Individuals feel confident and happy on being part of friendship group. This also gives them a chance to be interactive and share things with members.
- ii. **Interest Group:** These groups are formed by people with almost similar interest to each other. It's their common interest and united efforts which binds them together. With these groups, members feel comfortable to voice their concerns and demand for organisational changes. Thus, members if the work together to achieve organisational goal.
- iii. **Reference Group:** This group can be a real or imaginary one. This means that the group members may or may not meet regularly. Such groups are formed by members to evaluate themselves. The references of members are used to fulfil each other's need in the group.

9.3.3 Theories of Group Formation

There are many theories which explain how groups are formed and progress. These theories try to explain a particular phenomenon. The theories put forward here include propinquity theory, Homan's interaction theory, balance theory and exchange theory.

- i. **Propinquity Theory:** This theory states that groups are formed when people are in proximity to each other. According to this theory, when people are in spatial and geographical nearness, then they are more likely to affiliate with each other and form a group. Thus, individuals

working in an organization would more probably form a group than those working at a relatively distant place. But this theory is not analytical in nature and doesn't explain some of the complexities of group formation.

- ii. **Homan's Theory:** This theory was propounded by George C. Homans. According to him, "The more activities persons share, the more numerous will be their interactions and the stronger will be their shared activities and sentiments, and the more sentiments people have for one another, the more will be their shared activities and interaction". The three main factors of this theory i.e., activities, interactions and sentiments directly relate to each other. The members of a group interact with each other with shared activities and sentiments not just because of physical proximity but to accomplish group goals.
- iii. **Balance Theory:** This theory was propounded by Theodore New Comb. According to him, "Persons are attracted with one another on the basis of similar attitudes towards commonly relevant objects and goals. Once a relationship is formed, it strived to maintain a symmetrical balance between the attraction and common attitudes. If an imbalance occurs, attempts are made to restore the balance. If the balance cannot be restored, the relationship dissolves." This theory adds balance factor to propinquity and interaction factors which is must among all group members for survival of group.
- iv. **Exchange Theory:** This theory was propounded by Thaibaunt and Kelly. It states that the individuals will form group on the basis of outcomes of reward and cost. Reward for joining a group is in the form of gratifying the needs and it must be greater than costs for attraction to take place. Costs occur is in the form of anxiety, frustration, embarrassment or fatigue and it is expected to be less than the rewards by group members. Propinquity, interactions and common attitudes all have roles in the exchange theory.

9.4 GROUP COHESIVENESS

Cohesiveness is the social force that keeps the group together. It refers to the degree of attraction for each other among group members. It generates the "we feeling" among members who make collective efforts to function properly. The feeling of cohesiveness motivates them to stay in the group in a united way. It also affects the performance and effectiveness of a group. A highly cohesive group is very appealing to its members. The more the members feel attracted to the group, the greater will be the group cohesiveness. The greater the cohesiveness, the greater will be the

influence of the group members to persuade one another to conform to the group norms. The greater the conformity of norms, the greater will be the identity of the members to the group and then the greater will be the group cohesiveness. In a cohesive group, members have better communication and participation which give them personal satisfaction. This satisfaction to members brings better productivity in accomplishment of goals. Thus, cohesiveness is very important for a group to ensure the success of a group. Cohesiveness is influenced by many factors like size of the group, homogeneous character of group members, success of the group, competition with other group and exclusiveness of the group. Let's discuss them in brief.

- In a small or medium size group, there exists more cohesiveness. Large group are more prone to conflicts and disagreements and thus members feel dissatisfied. Whereas, small group tend to be more cohesive as members get better opportunities to participate.
- In a homogenous group, there exists more cohesiveness as members share similarity in age, sex, education and marital status etc. Members feel more comfortable when they have common attitudes, values and experiences.
- In a successful group, cohesiveness is more. Everybody loves success, thus when a group is able to achieve its goals then cohesiveness increases.
- When a group is competing with other groups, then it has more cohesiveness. Members bind together and work collectively to achieve goals.
- In an exclusive group, there exists cohesiveness. Exclusiveness is seen as how difficult it is to be part of a group as group already has some status and special rights and privileges to its members.

9.5 LET US SUM UP

Group is collection of individuals. It refers to two or more persons who interact with each other and work on common goals. Individuals, as part of the organisation, join or form group to satisfy various needs. Groups are inevitable phenomenon in an organisation. The interaction of members should be structured in such manner that they perform the same and similar function when they work for a common goal. An organisation broadly involves two kinds of group; formal group and informal group. Formal group are created by the organisation while the informal group are created by employees for themselves as part of their social need. The groups formed and developed passes

from different stages such as storming, forming, norming, performing and adjourning. A group develops a structure where the functions and powers are distributed. In a nutshell it can be said that the group has some kind of structure to hold it together and attain the goals effectively. A group also develops its norms and try to achieve its cohesiveness. Since, the importance of group is explanatory about that fact group decisions are essentially required for the effective working of an organisation, it is necessary to form groups and teams to take the advantage thereof.

9.6 COMMUNICATION

Communication has been derived from Latin word “communis” which subsequently indicates the common understanding. Various authors have defined communication

According to Louis Allen, “Communication is adding up of all the things one person does when he wants to create understanding in the mind of another.

According to Harold Koontz and Heinz Weihrich,” Communication is the transfer of information from the sender to the receiver with the reference with the information being understood by the receiver.

Communication allows for the formation of connections and the organisation of tasks. Every message has a goal or target in mind. The sender intends to accomplish something via communicating, whether consciously or unconsciously. Messages in organisational contexts often have a specific goal: to motivate, inform, instruct, convince, entertain, or inspire. One of the main contrasts between informal chat and managerial communication is the specific objective. In order for an organization's communication to be effective, it must have well-defined objectives that support the organization's goals and mission.

The exchange of a message or information from a sender to a recipient is known as communication. A production manager (sender) might send a message to a sales manager (receiver) asking for sales predictions for the next six months so that production levels can be planned. The sales manager would then provide the relevant data to the production manager (feedback). This is an example of internal communication, which occurs when a company's employees communicate with one another. As a result, communication connects all of the diverse tasks in a firm, ensuring that all employees are working toward the same goal and know exactly what they should be doing. Of course, a company will need to communicate with people or organisations outside of the company.

External communication is the term for this. A marketing manager, for example, may need to notify clients of new special pricing offers, or a finance director may need to request a loan from a bank.

9.6.1 Historical Background of Communication

Early management conversations placed little focus on communication. Henri Fayol was about the only pioneering management thinker who gave a deep study of and provided a relevant answer to the problem of communication.

FAYOL'S CONTRIBUTION

Fayol proposed a simplified form of the Formal organisation in the diagram. If this organization's formal channels were properly followed, and F wished to talk/communicate with P, the communication would have to go through E-D-C-B-A-L-M-N-O-P and back. To put it another way, F would have to change places twenty times. On the other hand, if F could lay a gangplank to P, it would allow the two employees F and P to deal with some questions or other issues in one sitting and in a few hours, rather than passing through twenty transmissions, inconveniencing many people, involving masses of paper, and losing weeks or months to arrive at a less satisfactory conclusion than that which could have been obtained via direct contact as between F and P. The horizontal communication mechanisms in modern formal organisations are directly affected by the gangplank notion.

BARNARD'S CONTRIBUTION

Chester Barnard was mainly responsible for the development of communication as a critical dynamic of organisational behaviour in the late 1930s. He was convinced that communication is the organization's most powerful shaping factor. He ranked it with common goal and desire to serve as one of the Organization's three essential characteristics. Communication techniques, which he defined as written and spoken language, were judged not only vital for the organisation to achieve its goals, but also a possible problem area.

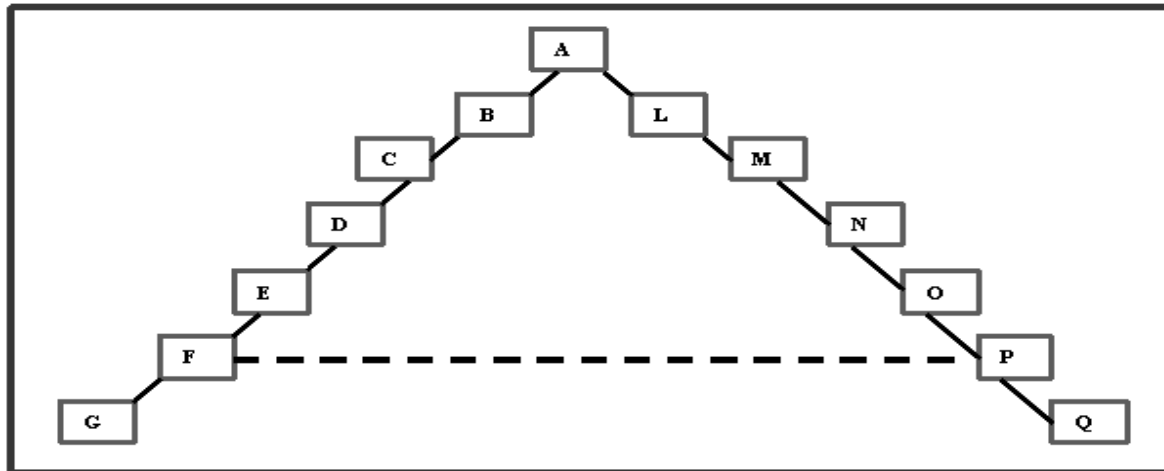


Figure 1: The Gangplank Model

Barnard listed seven specific communication factors which are especially important in establishing and maintaining objective authority in an organisation.

1. The channels of communication should be definitely known.
2. There should be definite formal channel of communication to every member of an organisation.
3. The line of communication should be as direct and short as possible.
4. The complete formal line of communication should normally be used.
5. The person's serving as communication centers should be competent.
6. The line of communication should not be interrupted while the organisation is functioning
7. Every Communication should be authenticated.

SHANNON'S MODEL OF THE COMMUNICATION PROCESS

Shannon's (1948) communication process model represents, in many ways, the start of the contemporary field. For the first time, it established a general model of the communication process that could be used to unite disciplines as disparate as journalism, rhetoric, linguistics, and speech and hearing sciences. Part of its effectiveness can be attributed to its structuralist reduction of communication to a set of fundamental parts that explain not just how communication occurs, but also why it sometimes fails. It also helped that I was at the right place at the right time.

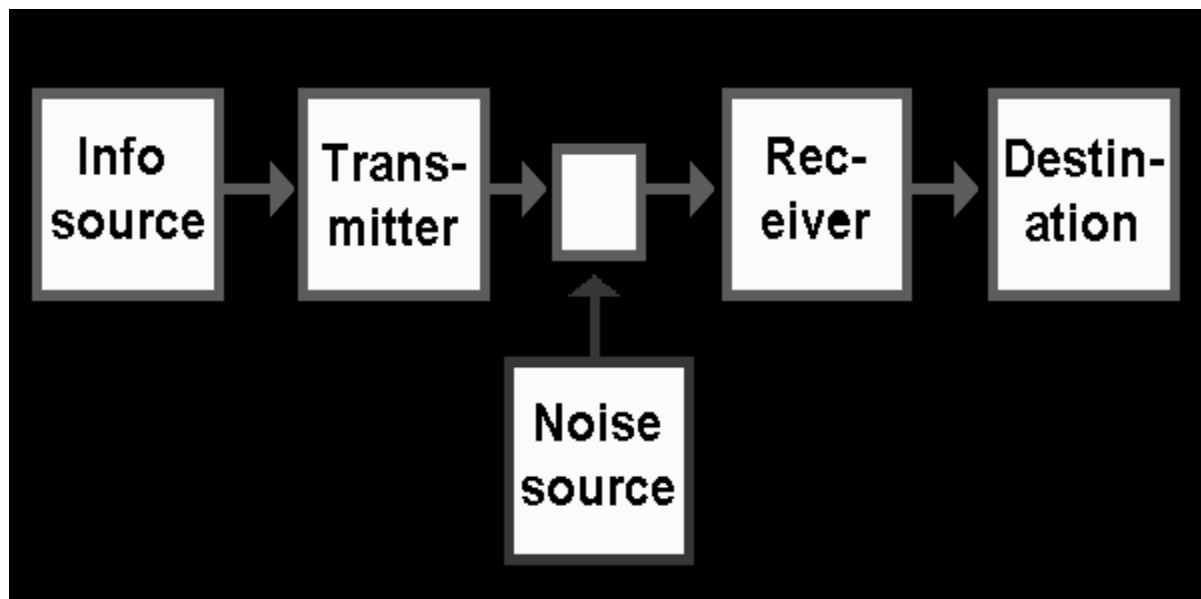


Figure 2 Shannon's Model of the Communication Process

9.6.2 The Communication Process

The process of conveying knowledge and understanding from one person to another is known as communication. Six key aspects make up the communication process: sender (encoder), message, channel, receiver (decoder), noise, and feedback. Supervisors can enhance their communication skills by understanding these components and how they contribute to effective communication. Any one of these elements can cause communication to break down.

The communication procedure is initiated by the sender. When the sender has settled on a meaning for the message, he or she encodes it and chooses a channel to send it to a receiver. Encoding is the process of converting a message into words or graphics. The sender's message is the data he or she wants to communicate. Print, mass, electrical, and digital media are examples of mediums for communication. As a sender, the supervisor should identify the communication's goal, craft each message with the receiver in mind, use the optimal medium, strategically time each transmission, and solicit feedback.

The sender is prompted to send a message by an external stimulus. This notice could come in the form of a letter, email, fax, or other medium. The sender reacts to the many situations in his external environment when he thinks of ideas for the message - physical surroundings, weather, noise, discomforts, cultural conventions, and so on. The sender's ability to transform ideas into a message is then complicated by internal stimuli. The sender's own world of experience influences

his choice of symbols – mental, physical, psychological, and semantic – during encoding. Attitudes, beliefs, emotions, previous experience, likes and dislikes are all factors to consider.

When the situation is formal, official, or long-term; or when the situation affects numerous people in similar ways, written communication should be used. Interoffice memos are used to keep track of unofficial requests or responses. Letters have a formal tone and are addressed to a specific person. Official notices, properly documented remarks, and extended communications are all done with them. A letter is more personal, while a report is more impersonal and formal. They're used to communicate data, findings, and recommendations. Bulletin board notifications, posters, exhibits, displays, and audio and visual aids are examples of written communications to groups. Place and time no longer limit communication and the need to transmit information. Email, voice mail, and facsimile have made it easier to communicate and share information. Email is a computer-based method of sending and receiving textual messages. Voice mail is the transmission and storage of digitised spoken communications. Documents are transmitted through facsimile (fax).

Informal staff meetings, scheduled conferences, and mass meetings are examples of verbal or spoken communication. It's crucial to have a good voice and a good delivery. Informal discussions are ideal for day-to-day communication, guidance, information exchange, progress assessments, and maintaining good interpersonal relationships.

Information technology allows teams to access information, communicate knowledge, and create documents. Meetings are held electronically from a variety of places, saving the company money on both the costs of physically bringing people from different locations together and the time spent by employees travelling. Information technology allows teams to access information, communicate knowledge, and create documents. Meetings are held electronically from a variety of places, saving the company money on both the costs of physically bringing people from different locations together and the time spent by employees travelling. Teleconferencing is simultaneous group verbal exchanges. Videoconferencing is group verbal and visual exchanges.

Nonverbal Communication

Images, acts, and behaviours are all examples of nonverbal signals. Photographs, film, charts, tables, graphs, and video are examples of images. Actions, body language, and active listening are examples of nonverbal behaviours. Eye contact, gestures, facial expressions, posture, and look are

all examples of actions and body language. Before looking away, the effective communicator maintains eye contact for four to five seconds. Natural and well-timed gestures are required. Grooming and attire should be suitable for the occasion. Good eye contact, attentive body posture, and regular use of vocal encouragement are all required for effective listening.

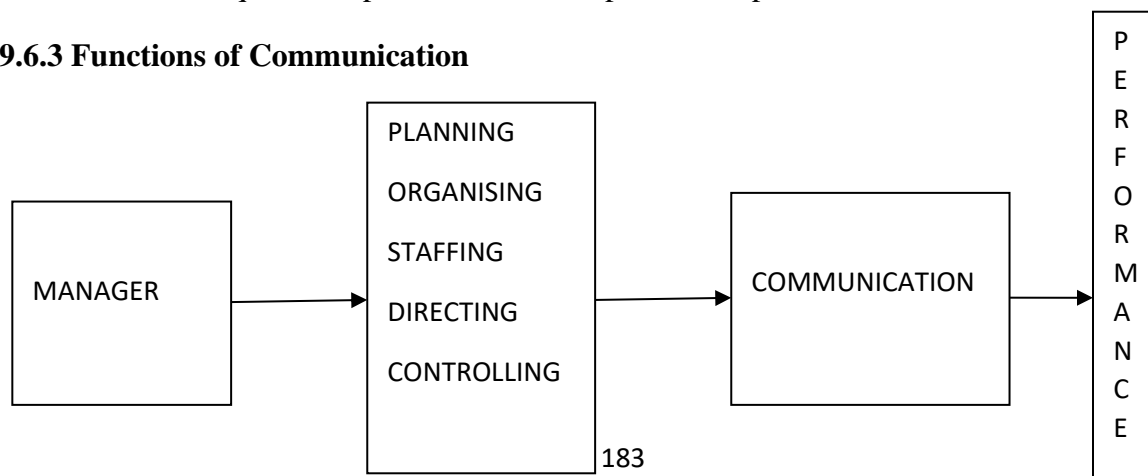
The path a message takes from sender to receiver is referred to as the channel. Supervisors communicate with employees using downward channels. Employees use upward channels to communicate with their superiors. When communication happens across departmental lines, with suppliers, or with customers, horizontal channels are employed; this type of communication is called grapevine communication. The grapevine is an unofficial channel. People use it to communicate casual, personal, and social exchanges at work outside of the formal channels. Rumors, gossip, and accurate information make up the grapevine. The supervisor should be aware of the grapevine, but not rely on it for correct information.

The way individuals of an organisation communicate is being transformed by information technology. Members may connect instantly, retrieve and share information from any location, at any time, thanks to network systems, which are electronic links between an organization's computer hardware and software. The person or group for whom the communication attempt is intended is referred to as the recipient.

Noise is defined as anything that disrupts communication. In a communication, feedback assures that both parties have understood each other. It is the transmission of data from the sender to the receiver. The communication is decoded or deciphered by the receiver. As a result, the receiver becomes the sender and the sender becomes the receiver in the feedback loop.

Nonverbal variables like as touch, taste, and scent influence both the recipient and the sender. All of these criteria require interpretation based on personal experiences.

9.6.3 Functions of Communication



As a result, we may conclude that communication in an organisation serves four key functions: control, motivation, emotional expression, and information. Aside from these, communication in an organisation can be said to perform the following purposes.

Instructive function

Influence function

Integration function

Informing function

Evaluation function

Directing function

Teaching function

Image Projection function

Interview function

9.6.4 Importance of Communication

Good communication has many advantages for a business: strong communication:

- Motivates employees – helps them feel part of the business (see below)
- Easier to control and coordinate business activity – prevents different parts of the business going in opposite directions
- Makes successful decision making easier for managers– decisions are based on more complete and accurate information
- Better communication with customers will increase sales
- Improve relationships with suppliers and possibly lead to more reliable delivery
- Improves chances of obtaining finance – e.g., keeping the bank up-to-date about how the business is doing

Communication is to an organisation what the nervous system is to the human body. Effective Communication will lead to the smooth working of any organisation. The following points illustrate the importance of Communication in Business

- Smooth Working of a Business Firm

- Basis of Managerial Function
- Maximum Production and Minimum Cost
- Prompt Decision and its Implementation
- Building Human Relations
- Job Satisfaction and Good Morale
- Avoids Illusion
- Contacts with external Parties.

9.6.5 Characteristics of Communication

- **It is Unavoidable:** It's hard not to communicate, because we do it unknowingly all of the time, even when we don't use words. Our body language, how we dress, how important it is for us to be on time, our behaviour, and the actual location in which we operate all send messages to others.
- **It is a Two-way Exchange of Information:** Communication is defined as the exchange of information between two or more people with ongoing feedback.
- **It is a Process:** Each message is part of a process and does not occur in isolation. This means that the meaning attached to a message depends on what has happened before and on the present context. For example, your boss's response to your request for a promotion will depend on your past relationship with him, as well as his mood at that particular moment.
- **It involves a Sender and a Receiver of Information:** Any kind of communication begins with a message sender and ends with a receiver who assigns meaning to the message.
- **It could be Verbal or Non-verbal:** The use of words, whether spoken or written, or body language, such as gestures and facial expressions, can all be used to communicate.

9.6.6 Communication Network

The flow of information within an organisation is referred to as a communication network. Within an organisation, information is usually channelled through a system rather than flowing freely. Communication networks, according to Adler, are "regular patterns of person-to-person contacts through which information travels in an organisation." This implies that information flow is controlled, regulated, and structured. Formal or informal communication networks exist.

Formal Communication Network

An organisational chart is used to describe a formal communication network, which is one that is constructed by management. An organisational chart depicts the organization's hierarchy and reporting system. As a result, information in a formal network is only shared through official channels such as memos, bulletins, and intranet (email within the organization). According to the organisational chart, information can flow in three directions: vertically (upward or downward), horizontally (left to right), and vertically (right to left).

Informal Communication Network

The grapevine is another term for informal networks. Information does not travel in a specific direction in this type of network, as it does in formal networks. Official channels such as memoranda, notices, and bulletin boards are also not used to disseminate the material. The information does not have to be shared within the organisation; it can be shared outside of it, wherever coworkers or colleagues socialise. As a result, informal networks are more dependent on friendship and common personal or professional interests. Example – Co-workers may meet outside the work environment at a company picnic, party or a car pool and discuss areas of common interest that may or may not be work related. Information may then be passed on to each other about happenings in the company, such as layoffs, the company's plans for acquisitions and so on.

There are several patterns of communication:

- Chain
- Wheel
- Star
- All – Channel network
- Circle

The Chain is easily recognised as a hierarchical pattern that describes highly formal information flow "from the top down" in military and some types of business organisations. The Wheel resembles a conventional autocratic organisation in that it is run by a single person with limited employee participation. Many organisations' basic formal structures are comparable to the Star. Guetzkow's All-Channel network, which is an evolution of Bavelas' Circle, is equivalent to a group's free-flow of communication that invites all members to participate in group decision-

making processes. Some informal communication networks can be compared to the All-Channel network.

If messages can travel in both directions between stations in the network, it's easy to see how some people hold crucial positions in terms of the amount of messages they handle and the degree to which they have control over the information flow. The person represented by the centre dot in the "Star," for example, is in charge of all messages in the group. Individuals who work in the pattern's edges, on the other hand, handle fewer messages and have little to no control over the information flow. If they want to extend their range, these "peripheral" individuals can only communicate with one or two other people and must rely exclusively on others to transmit their signals. Bavelas came at the following tentative conclusions after reporting the results of studies utilising the Circle, Wheel, and Star configurations. In patterns like the Wheel and the Star, which have centre positions, an organisation soon forms around the persons who occupy these prominent positions. The organisation is more stable and performance errors are fewer in such patterns than in designs with a lesser degree of centrality, such as the Circle. He did discover, however, that participants in high centrality patterns have low morale. Bavelas hypothesised that reduced morale could reduce the precision and speed of such networks in the long run.

When it came to problem solving that required the pooling of data and judgments, or "insight," Bavelas claimed that the ability to evaluate partial results, consider alternatives, and restructure problems decreased rapidly as one person assumed a more central (that is, controlling) position in the information flow. Because of the "bottlenecking" effect of data control by central members, insight into a problem requiring adjustment would be less in the Wheel and the Star than in the Circle or the Chain.

9.6.7 Barriers to Effective Communication

1. **NOISE:** The first and most significant impediment to communication is noise. It refers to "signal interference that inhibits you from hearing sounds properly." Oral communication is difficult at a factory, for example, due to the constant noise made by machines. Similarly, a technical issue with a public address system or static in a phone or television connection will distort the sound transmission and interfere with communication. Weather circumstances or a flaw in today's ultramodern telecommunication infrastructure could significantly detract from

the effect. This is not all that noise entails. It also includes a variety of other factors that may exist at both the sender's and receiver's end. The sender could use ambiguous or perplexing messages. The recipient may misinterpret the message due to inattention, or decoding may be hampered by incorrect or unexpected interpretation. Prejudices held by the receiver may also prevent him from receiving the message in the proper spirit. As a result, we must keep in mind that 'noise,' which can mean a variety of things, will almost always obstruct communication.

2. **LACK OF PLANNING:** Communication is not something that can be taken lightly. Unfortunately, many people dismiss it. As a result, the message to be conveyed may not have been well planned. There are numerous examples of persons who would deliver an ill-prepared, lengthy lecture when a brief presentation with tables or graphs would suffice. Miscommunication or mal-communication would result from such an occurrence. Similarly, some people may be oblivious to the importance of selecting an appropriate time and location for effective communication.
3. **SEMANTIC PROBLEMS:** The systematic study of meaning is known as semantics. As a result, semantic problems refer to communication issues that arise from the expression or transfer of meaning. Words are the foundation of oral and written communication. And even while words are limited in number, they can be employed in an infinite number of ways. The sender's and receiver's minds are both filled with significance. However, the meaning in the sender's mind does not always have to match the meaning in the receiver's mind. As a result, how the sender encrypts his message matters a lot.
4. **CULTURAL BARRIERS:** Communication obstacles are frequently caused by cultural differences. We must be especially cautious in this regard because we now have to work in a global setting. People from different countries or cultural backgrounds have varied interpretations of the same category of words, phrases, symbols, behaviours, and colours. Individuals in the United States, for example, prefer to be addressed by their first names, whereas people in the United Kingdom, and to a considerable extent also in India, prefer to be addressed by their last names. A sign of 'O' made with the forefinger and thumb in North American states means 'OK,' yet it is interpreted as obscenity in Southern states.
5. **WRONG ASSUMPTIONS** We frequently act on assumptions without first seeking clarification. We should make every effort to maintain our goodwill and avoid acting rashly based on preconceptions. If a customer writes to us requesting a visit to our office or factory without

specifying whether or not he would like to be picked up, and we presume he will be able to arrive on his own, we may lose goodwill. As a result, caution is required in such situations.

6. **SOCIO-PSYCHOLOGICAL BARRIERS:** Attitudes and opinions, one's place in society and status-consciousness resulting from one's position in the organization's hierarchical structure, one's relationships with peers, seniors, juniors, and one's family background—all of these factors have a significant impact on one's ability to communicate as a sender and receiver. Status consciousness is commonly acknowledged as a significant communication obstacle in the workplace. It causes psychological estrangement, which leads to communication breakdown or miscommunication. A individual in a high-ranking position in an organisation is frequently seen erecting a barrier around himself. This limits the ability of the less powerful to participate in decision-making. Similarly, one's attitude and communication abilities are shaped by one's family heritage.
7. **EMOTIONS:** Emotions are really crucial in our lives. Our emotions influence both the encoding and decoding of signals. When we are emotionally charged, a message will have a different meaning than when we are calm and composed. Anger is the worst emotion and communication's worst adversary.
8. **SELECTIVE PERCEPTION:** The majority of the aforementioned causes lead to selective perception. It indicates that depending on their requirements, background, goals, experience, and other personal traits, receivers selectively see and hear. While decoding the signals, most receivers safeguard their own interests and expectations during the communication process, resulting in a specific type of feedback that can constitute a communication problem.
9. **FILTERING:** Filtering is the process by which the transmitter of a communication manipulates data in order for the receiver to view it in a more favourable light. For example, a manager enjoys telling his boss how he feels or what he wants to hear. He is filtering information during this procedure. As a result, the individual in charge never receives objective information. Similarly, people at lower levels condense and synthesise knowledge in order to maximise their own gains. They withhold or disregard some critical facts. The more vertical levels there are in an organisation, the more filtering opportunities there are. This is a very common type of communication issue
10. **INFORMATION OVERLOAD:** Unchecked information input frequently becomes a communication barrier. It has the potential to suffocate or bore and frustrate the top executive. When people are overburdened with knowledge, they are more prone to make mistakes. They may also take some time to process or reply to information or messages. Delay can also become a habit, leading to major

communication issues. People may also become selective in their responses, which is not conducive to dialogue. On the other hand, it is a problem of communication.

11. **POOR RETENTION:** People are also prone to forgetting communications that reach them, which is a corollary to the problem outlined above. As a result, the need to repeat the message and use many mediums to transmit the same idea arises.
12. **POOR LISTENING:** Listening deficiencies can lead to major communication issues. Too many people want to chat, and they generally want to talk about themselves. They are so preoccupied with themselves that they cannot bear to listen. As a result, they are uninterested in the speaker whose words are squandered. Everyone understands the value of listening, yet only a small percentage of people actively practise patient, active, and empathic listening. That is why there are so many communication issues. Incomplete information and poor recall are the result of poor listening. If this continues, it is possible that the desired outcome will not be achieved.
13. **GOAL CONFLICTS:** Conflicts between the goals of various organisational units and sub-units sometimes result in communication breakdowns. Communication should be used as a tool for resolving conflicts. Goal conflicts, on the other hand, serve as communication barriers. Different units internalise their own goals, resulting in the organization's interests becoming split or bifurcated. Communication weakens when people compete for the fulfilment of their narrow interests.
14. **OFFENSIVE STYLE OF COMMUNICATION:** It is self-evident that an offensive communication style leads to a breakdown in communication. This is a delicate subject. When a boss sends a message that makes the workers/juniors defensive, the relationship between them becomes strained, and communication worsens. As a result, it is critical for management to adopt a convincing communication style.
15. **INSUFFICIENT PERIOD FOR ADJUSTMENT:** People react to change in a variety of ways, as is well documented. They take their time to adjust to any new information or modification idea. While the goal of communication is to influence change, it is important to remember that employees whose roles, shifts, or other responsibilities may be altered should be given adequate notice. Then and only then can communication be effective.
16. **LOSS BY TRANSMISSION:** When messages are passed from person to person in a succession of transmissions, they often degrade or get diluted. On the journey, they're diluted. It must be taken extra precautions to ensure that the intended message reaches the intended recipient.

9.7 TO CHECK THE PROGRESS

9.7.1 Long Answer Questions

1. Discuss the concept and importance of group.
2. What is group formation? What are the factors influencing group formation?
3. Elucidate different types of group and their roles.
4. Discuss the theories of group formation.
5. What is effective communication? Discuss the various steps in the communication process.
6. What are various characteristics of communication?
7. How a good communication can be done in an organization? What are various networks of communication?
8. What is communication? What are the main barriers to communication?

9.7.2 Short Answer Questions and Answers

1. Distinguish between formal and informal group.
2. Goal Conflicts
3. Semantic Barriers
4. Informal Communication Network
5. Non-verbal Communication
6. Group Formation
7. Group Cohesiveness

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COURSE: ORGANISATION THEORY AND BEHAVIOUR

UNIT 10: CONFLICT MANAGEMENT, TEAM BUILDING & LEADERSHIP, POWER & POLITICS

Structure

10.0 Objectives

10.1 Introduction

10.2 Conflict

10.2.1 Factors Affecting Organizational Conflict

10.2.2 Types and Levels of Organizational Conflict

10.2.3 Conflict Resolution Strategies

10.3 Conflict Management

10.3.1 Conflict Management Styles

10.4 Team Building

10.4.1 Concept of Team

10.4.2 Types of Teams

10.4.3 Team Development

10.5 Team Building

10.5.1 Advantages of Team Building:

10.5.2 Disadvantages of Team Building:

10.6 Leadership

10.6.1 Functions of Leadership

10.6.2 Leadership Styles

10.7 Power and Politics

10.7.1 Sources of Power

10.8 Politics

10.8.1 Forces Creating Political Behavior

10.9 To Check the Progress

10.9.1 Long Answer Questions

10.9.2 Short Answer Questions and Answers

10.0 OBJECTIVES

After going through this unit, you will be able to:

- Understand how conflict can arise in an organization.
- How a conflict can effect an organization negatively and positively and how it can be managed.
- Classify different types of teams and team cohesiveness.
- Explain the role of good leadership in an organization and its theories.
- Understand how politics and power effect organizational behavior
- How power can be obtained.

10.1 INTRODUCTION

An organization cannot be run by a single person. The functioning of an organization is heavily reliant on human resource and their interpersonal relationship. There are the possibilities that there may arise some problems or discontentment over things which is called conflict. Conflict is inherent part of any organization. A conflict needs to be resolved by the managers or supervisors with their interpersonal skills in order to collaborate effectively. So, there should be proper understanding of the various aspects of conflict and how to manage them.

A conflict can result in a major issue in any organization which can influence its performance. A conflict can create such condition where it can make hard for people to collaborate or blockage of

work. Although, conflict is always viewed negatively but it also has a positive side as well. Without conflict there is lack of spark, new ideas and healthy competition. So the conflict should be properly managed. In this unit we will discuss about various aspects of conflicts and how to manage them.

10.2 CONFLICT

Organizational conflict means a situation of discontentment caused by perceived differences to their needs, interest or concerns. A conflict in any organization occurs when there is contradiction of opinions in respect to any task or decision. Organizational conflict thus arises when there is incompatibility of opinions within a member, between two members or between two groups.

"Conflict is any situation in which two or more parties feel themselves in opposition." - John W. Newstorm and Keith Davis

"Conflict is processes that begins when one party perceives that another party has negatively affected or is about to negatively affect something that the first party cares about." - Stephen P. Robbins.

10.2.1 Factors affecting Organizational Conflict

1. **Unclear Responsibility:** When there is lack of clear and defined responsibility, there are more chances of conflict within the organization. So, there should be clear and defined roles and responsibility among the members of organization.
2. **Interpersonal Relationship:** The functioning of an organization is heavily reliant on human resource and their interpersonal relationship. Every person possesses different personality which is also the main reason for discontentment among them.
3. **Scarcity of Resources:** Scarcity of resources is another reason for occurrence of conflict in any organization. Due to availability of limited resources, people of the organization compete with each other resulting in conflict.
4. **Conflict of interest:** Every person has its own goals and objectives which may vary from another person and also from the main goal of the organization. When they all fight and compete for their personal interest, conflict arises.

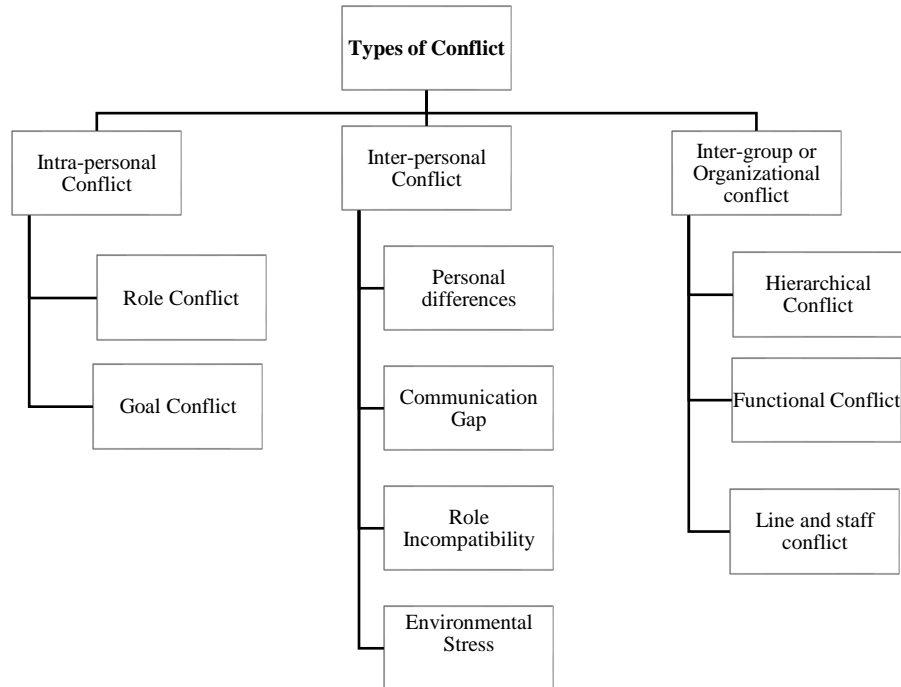
5. **Communication:** Communication is also another source from which conflict arises. When there is ambiguity in the communication like misunderstanding, words with different meanings, insufficient information, that miscommunication may result into conflict.
6. **Difference in Personality:** Every person has different personality and is different from another in various perspectives like way of thinking, feelings, thought process and in other personality traits like emotional stability, sense of achievement. These differences may also cause conflict among the members.
7. **Organizational change:** In today's world of globalization, everything changes very fast whether it is technical environment, social environment or social. The organization has to change itself accordingly which may be favorable for some of the members and unfavorable for others depending upon its implementation. When there is any threat to a person or status of that person, disagreement may arise leading to conflict. Some persons also resist to change.
8. **Size of Organization:** Size of organization also affects the existence of conflict. There will be more chances of conflict between members with the increase in size of the organization. As in the big organization, there is more gap between top management and lower management resulting in lack of proper communication and goal clarity which can result into conflict between members.
9. **Level of Participation:** When there is greater participation of the members in the decision making, there will be less chances of conflict between members. On the other hand, where subordinates are not allowed to participate in the decision-making process of the organization in that case conflict arises.

10.2.2 Types and Levels of Organizational Conflict

Organizational conflicts are of three types:

1. **Intra-personal Conflict:** When conflict arises within the person, then it is called intra-personal conflict. This type of conflict arises when a person feels that is not treated fairly in the organization or he is getting lesser than what he has contributed. This type of conflict can have both positive and negative impacts. Intra-personal conflict may be goal conflict or role conflict:

- i. **Role Conflict:** A person has to play several roles including organizational role. When person is not able to play a particular role due to lack of resources or time then it results into frustration within himself.
- ii. **Goal Conflict:** Goal conflict arises when the chances of achieving one or more goal reduces with the achievement of another goal. It is of further three types:
 - a) **Approach-Approach Conflict:** When two goals are mutually exclusive that happening of one goal results in non-achieving of another. For example, attending one of the two events when both scheduled at same time.
 - b) **Approach-Avoidance Conflict:** When a person is having mixed opinion about single goal like one is attracted to a single goal and also being repelled by the same goal due to some another reasons.
 - c) **Avoidance-Avoidance Conflict:** When one person has to choose between two or more mutually exclusive goals and both goals are having unattractive or undesirable qualities. For example, quitting a job where one is not being get treated fairly and having no another job opportunity than the same.
- 2. **Inter-Personal Conflict:** When conflict arises between two or more individuals in the organization then it is called inter-personal conflict. This type of conflict arises due to difference in personality, value systems, role ambiguities or other socio-economic factors. Various sources of inter-personal conflict are:
 - i. **Personal Differences:** Every person has a unique identity and has its own emotional level, stability and moral values. When all these are brought together, there is possibility that there may arise discontentment among them due to various reasons.
 - ii. **Communication Gap:** Communication is also another source from which conflict arises. When there is ambiguity in the communication like misunderstanding, words with different meanings, insufficient information, that miscommunication may result into conflict.



iii. Role Incompatibility: In an organization, every person has its role to play. These roles may be different from each other or may be interdependent. Interdependent roles may be incompatible which can result into conflict between them.

iv. Environmental Stress: Environmental stress can also result into conflict among individuals. Environmental stress can be due to many reasons like competition, work stress, downsizing or high goal/expectations of the top management.

3. Organizational Conflict: This type of conflict arises when there is discontentment among two groups, department or sections of the organization. This conflict is also called inter-group conflict. Organizational conflict arises due lack of resources, task inter-dependence or due competition among them. Organizational conflict can be:

i. Hierarchical Conflict: When conflict arises among the different levels of organization for example top management and lower management.

ii. Functional Conflict: When conflict arises between different functional departments for example conflict between HR department and sales department.

iii. Line and Staff Conflict: When conflict arises between members of line and staff authority.

10.2.3 Conflict Resolution Strategies

Conflict can arise in any organization. But when conflict exceeds the optimal level, it needs to be resolved in time. There is no any particular and rigid strategy to resolve conflict, but there are some strategies that can be used to resolve conflict. Feldman (1985) has suggested some of the conflict resolution strategies which are:

- 1. Conflict-Avoidance Strategies:** In certain situations, the avoidance of conflict is more advisable than to give active attention to that conflict. This type of strategy is used where further involvement of manager may provoke the controversy and may worsen the situation or where involvement of manager may waste manager's energy and time. This strategy is also suitable for the situation where the conflicting parties are such that who possesses such qualities to resolve the conflict by themselves. In this type of strategy, it is attempted that conflict is resolved by the parties themselves without interference of the manager.
- 2. Conflict-Diffusion Strategy:** This strategy is characterized by cooling down the situation before the ultimate solution is reached. This is also called smoothing and covering the conflict rather than quoting the issue. Manager tries to seek co-operation from both the parties by being supportive and persuading them. This type of strategy provides a temporary solution as original issue is not addressed rather it is ignored which may reemerge after some time.
- 3. Conflict-Containment Strategies:** In this strategy, the representatives of the conflict groups are addressed by the manager to resolve the issue rather than addressing the whole group. Though representatives are motivated to win for the group as they are elected by the group members who are having high expectations from the representatives. Manager tries to reduce the conflict and results are kept secrets until final result has been reached in order to make it effective. Bargaining technique is used to reach the solution with give and take strategy to balance the demands.
- 4. Conflict-Confrontation Strategies:** In this type of strategy, manager aims to find a solution by confronting the problem. Manager openly listens to the feelings and expressions of the conflicting parties and tries to reach to a compromising solution. This type of strategy is suitable where members trust the manager and manager is impartial.

10.3 CONFLICT MANAGEMENT

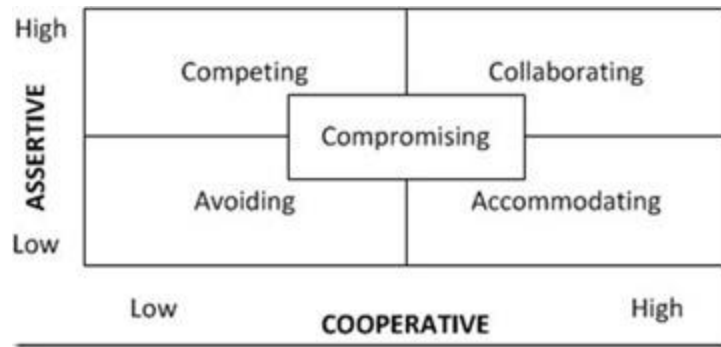
Conflict management means to identify the conflict and handle it efficiently and fairly so as to limit negative aspects and increase positive aspects of conflict. In this a manager tries to seek the best possible outcome where there are conflicting parties are having opposing interests. Conflict management starts from analyzing the problem or source of conflict among the members or groups and ends with the implementing solution in such a way that conflicting parties collaborate to enhance the performance. Conflict can result in destructive outcomes, so first approach for the conflict management should be to prevent conflicts. Following preventive measures can be adopted to manage conflict:

1. Establishing common goals
2. Reduction in interdependence of work
3. Reduction in resources that are shared between them
4. Ensuring proper communication
5. Proper coordination
6. Use of authority

10.3.1 Conflict Management Styles

Conflict is inherent part of any organization and it has both positive and negative aspects. But when the level of conflict raises too much then manager needs to manage and control the conflict various conflict management styles as suggested by Kenneth W. Thomas and Ralph H. Kilmann are:

- 1. Accommodating:** This type of style is used when the competing person is more important than issue itself. Manager gives a high degree of cooperation and willingness to meet the needs of other at the expense of his own goals and objectives.
- 2. Avoiding:** In this manager tries to take contentious decisions so that no one gets offended by the decisions. This style neither assists employees in achieving their objective nor the manager who is avoiding the issue. This style is useful when the issue is minor.



Thomas-Kilmann Conflict Mode Instrument

3. **Collaborating:** In this manager uses collaborative styles by acknowledging the importance of every member. Manager tries to pair up the goals of all the conflicting parties by seeking win-win paradigm. This can be effective for complex scenarios where managers need to find a novel solution.
4. **Competing:** This is the win-lose approach where manager takes a firm stand and being assertive with less or without any cooperation from other employees. This approach is used when there is an emergency and achieving managers' own goal is important.
5. **Compromising:** This is a lose-lose scenario where everyone is expected to give up something neither person nor manager really achieves their original goals. This is characterized with moderate level of assertiveness and cooperation. It may be appropriate when there is a need of a temporary solution.

10.4 TEAM BUILDING

In today's growing world of globalization and technology advancement, organizations evolve around groups and teams. All the activities cannot be performed by a single person rather these are performed by different peoples or a group of peoples. Every individual contributes and coordinate collectively for the smooth running of the organization. Team building approach is vital approach in order to survive in this competitive world and to utilize the talents of the human resource in a better way. Today more focus is on formation of work groups to maximize the organizational productivity. A team is characterized by a group of people working together interdependently for a same organizational goal.

“Team is a small number of people with complementary skills who are committed to a common purpose, productive goals and common approach for which they hold themselves accountable.” - **Katzenbach and Smith (1993).**

In simple words, a team is a group of persons who come together and work interdependently in order to achieve a common goal for the group as a whole in specified time limit. A good team is characterized by improved cooperation, better solution with varied skills and increased productivity. Turning the group of people into a cohesive team is also called team building.

Team building refers to the efforts in which people are enabled to group together for reaching their goal. According to Brady (2018) team building is also considered as making employees and management to learn how to work together as a team. Team building refers to the efforts which aim towards improving the functioning and development of team.

10.4.1 Concept of Team

A team is a group of individuals having complimentary skills who collaborate for related tasks to achieve performance goals for which they are held accountable. Teams are formed to accomplish common purposes for which set of activities are defined to take part in. The group as a whole takes the responsibility of team's success, but each member is individually responsible for its contribution made to the team.

The whole purpose of a team is to perform teamwork which involves a set of interdependent activities performed by members who collaborate to achieve a desired common goal. The concept of teamwork is very popular in organizations to accomplish tasks that are complex for an individual to complete. Team formation in an organization also helps to perform work effectively by using skills and expertise of different team members at a time.

10.4.2 Types of Teams

There can be different types of teams on the basis of their functions in an organization. It is important to understand how different teams operate and contribute to the work. So, read on to find out different type of teams that are formed in an organization.

- i. **Functional Teams:** This team is permanent in nature and involves members of the same department. These members share different responsibilities and work according to their

specialized skills and education. Team members are managed by a supervisor or leader who designates responsibilities and everyone has to report to them for everything.

- ii. **Cross-Functional Teams:** This team involves members from various departments who tackle specific tasks with their expertise. This happens when a project requires diverse inputs and skills to get the best outcome. Such team is formed for a specific project and often split after the completion of the work.
- iii. **Self-Managed Teams:** This team involves the members of same organization but they operate without a manager. Members collaborate to accomplish common goals and work relatively autonomous. They work without supervision and define their own rules. They manage time and tasks according to their own preferences.
- iv. **Virtual Teams:** This team involves members from different geographical location who use technology and collaboration tools to achieve a common goal. These teams are the future of business world. With the growing trend of work from home to achieve work life balance, virtual teams will become much more common in the future. Remote working helps to increase productivity of employees and it also brings creative individuals from different parts of world.

10.4.3 Team Development

Team development is the process of learning to work together effectively. Maintaining an effective ensures that the team can thrive in long term. When individuals engage themselves in team development, they learn more about their potential, duties and work within the team. Bruce Tuckman, an educational psychologist, has talked about five stages of team development model. These stages are followed by most teams to become high performing. The stages are: forming, storming, norming, performing and adjourning.

- i. **Forming Stage:** In this first stage of team development, team members get acquainted to the work and other team members. This stage involves discussing about the project goal, team members role, designation of authority and basic ground rules.
- ii. **Storming Stage:** In this second stage of team development, inter-personal conflicts start. At this stage, members start competing for status and sometimes give disagreement on team goals which arises conflicts. Team performance gets decrease as members are engaging into unproductive activities.

- iii. **Norming Stage:** In this third stage of team development, the team members fall into a rhythm and start moving in a cohesive manner. Till now, they have developed a calm situation after the storm and they can handle easily handle conflict and work in a more balanced way. Team performance increases during this stage, as the responsibilities and goals are clear to them. Members are extending their full coordination and cooperation for the achievement of group goal.
- iv. **Performing Stage:** In this fourth stage of team development, teams are functioning at peak efficiency. Teams have strategies for resolving problems without compromising from timelines and progress. At this stage, members are fully optimized, matured and well-functioning and in no longer of requirement of supervision.
- v. **Adjourning Stage:** In this fifth stage of team development, the team has accomplished almost all its goals. The team is adjourned after completion of the project with a debriefing on what went well and what could be improved for the future projects. At this stage, leaders encourage long-term connections, reflect on the growth of the team and look forward for new projects.

10.5 TEAM BUILDING

Team building is a management technique that turns employees into a cohesive team who works with lot of skills, analysis and observation to achieve organization vision and objectives. The efficiency and performance of work groups are improved through this process. Team building creates a stronger bond amongst its members. Employees get involve in daily interaction to carry out the requirements of job. Team meetings are arranged by the leaders to help the employees to know each other better. The team is shaped for smooth functioning and developing cohesive working relations.

Steven and Mary Ann Von have defined ‘team building as any formal intervention directed toward improving the development and functioning of a work team.’

Team Building is not just a onetime action; rather it is a step-by-step process which aims to bring a desirable change in the organization.

10.5.1 Advantages of Team Building

1. It helps to identify strengths and weaknesses of each member.

2. It motivates members to contribute towards achieving vision and mission of the organization.
3. It helps to enhance interpersonal relations and trust among team members by developing communication and collaboration.
4. It clarifies roles and responsibilities of each member.
5. It initiates innovative and problem-solving thinking.
6. It boosts the trust and morale of members by making them feel valued.
7. It helps in incorporating change in the organization.
8. It helps the managers to efficiently delegate the task to the team.
9. It helps in increasing the productivity with collaborative efforts.

10.5.2 Disadvantages of Team Building

1. It leads to conflicts and clashes when the team lacks coordination understanding amongst its members.
2. It proves to be less productive and inefficient when some members do not contribute to the team performance and considered to be freeriding.
3. It leads to wastage of efforts when team members lack cooperation and unity.
4. It makes the organization overlooks the contribution of each member individually while rewarding the efforts of whole team.
5. It requires a lot of time and money to perform team building activities.
6. It becomes difficult to find out the reason of failure when the team members do not take the accountability for their work.

10.6 LEADERSHIP

Leadership is art of influencing people and work willingly under the guidance of the leader for achievement of predefined goals. In any organization, teams or employees cannot work properly unless there is a good leader. A leader guides its subordinates, conducts their behavior for the interest of the team and also for the organization as a whole.

‘Leadership is the process of influencing and supporting others to work enthusiastically towards achieving objectives’ -**Bernard Keys and Thomas.**

‘Leadership is the quality of behavior of the individuals whereby they guide people or their activities in organised efforts’ -**C.I. Bernard.**

Management and leadership are mostly used interchangeably but these both terms are different. Management means to manage things which include planning, organizing, monitoring and controlling the organizational operations whereas leadership includes the process of persuading its subordinates for the achievement of the specified goals. Similarly managers and leaders are not always same. A person can be a manager by mere delegating the authority but leaders are the one who are made with such a position which is due to acceptance by the subordinates as their role model. It is generally said that leaders are born not made. A good leadership is very important factor in any organization for being successful. A good leadership aims at:

- Motivating Employees
- Creating Confidence
- Building Morale

10.6.1 Functions of Leadership

A leader performs several functions along with motivating and supervising his subordinates in order to keeping up the pace of work in the organization. Some of these functions are:

1. **Setting Goals:** A leader helps and guides subordinates in setting goals. Goals are firstly set at the organizational level as a whole and then at individual level. A leader helps in guiding the subordinates in setting goals and coordinating them.
2. **Act as a Representative:** A leader act as a representative for his subordinates and group to the superiors and guards their interest. He is also responsible for the activities of the group. A leader works as a link between the top management and his subordinates. He communicates orders from the top management to the subordinates and on the other side he communicates the grievances of the team members to the top management.
3. **Acts as a Counselor:** A leader acts as a counselor to his work group whenever they face any issue or problems in the organization. He guides his subordinates for technical, structural or emotional issues.
4. **Develops team spirit:** A leader treats all his subordinates as a team and develops the sense of collectivism. A leader also respects individual goals and along with that he coordinates and reconciles these goals in order to build team spirit among them.

5. **Improves efficiency:** A leader also aims at improving efficiency of his subordinates by performing various activities like boosting morale, delegating authority, collective participation in decision-making etc.
6. **Time and resource management:** One of the primary tasks of a leader is to manage time and resources of the organization in efficient way so as to take best out of it. He makes sure that every task is completed on time at the different stages of work.
7. **Proper use of Power:** As a leader is delegated with various powers, it is also the duty and function of the leader to exercise his powers according to the need of hour. He may use reward power, coercive power or expert power depending upon the situation.
8. **Secure effectiveness of group-effort:** A leader must act in such a way so as to get maximum contribution from the subordinates. He must assure that there are proper efficient employees, authority delegation, availability of resources, communication and decision making.

10.6.2 Leadership Styles

Leadership styles are the behavior patterns those different leaders use for influencing their subordinates in order to seek their cooperation. Leadership styles can be classified as:

1. **Autocratic or Authoritative Style:** An autocratic leader is one who retains all the power of decision making with himself and take all the decisions at his own without the participation of his/her subordinates. All the subordinates have to follow the decisions taken by him. No opportunity of being heard is given to them. Under this type of leadership, subordinates are less enthusiast and frustrated as there is no sense of belongingness from the organization. This type of leadership is suitable where:
 - active decision making is necessary;
 - subordinates are inexperienced;
 - there is no or little error is expected;
 - great efficiency is required;
 - Organization cannot afford delay in decision-making.

Autocratic leaders are further divided into three types:

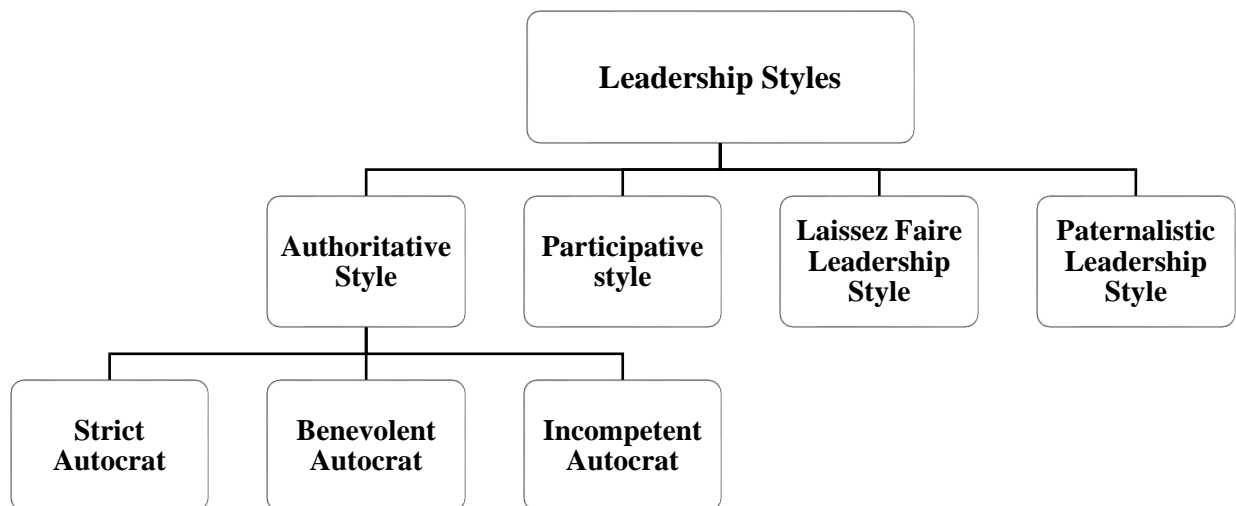
- i. **Strict Autocrat:** These types of leaders are very strict and they persuade their subordinates with negative motivation.

ii. Benevolent Autocrat: This type of leader holds all the powers with himself but he motivates his employees with positive motivation.

iii. Incompetent Autocrat: These are those leaders who use autocratic leadership style just to hide their incompetence.

2. Democratic or Participative style: In this type of leadership style, the leader seeks active participation of the subordinates in the decision making. Subordinates are encouraged to take active participation and to give suggestions for various decisions of the organization. Under this type of leadership, subordinates feel motivated and committed to the organization as they develop the sense of belongingness among them. This type of leadership is suitable where:

- Delay in decision making does not causes any loss;
- Where managers require to cover different point of views like brain-storming;
- Where a single person cannot take any decisions;
- Where subordinates are experienced;
- Where manager wants to motivate its employees;
- Where subordinates are clear about the organizational goals and are dedicated towards it.



3. Free-rein or Laissez Faire Leadership Style: Under this type of leadership style, subordinates are the one who takes the decisions. Leader gives up his powers of decision making to the subordinates. They get freedom to take their decisions and setting objectives which causes mess up and chaos. This type of leadership style is mostly suitable where all the employees are experienced or well trained and are fully aware of the organizational goal.

- 4. Paternalistic Leadership Style:** In this leadership style, leader functions fatherly and treats his subordinates as his family. Leader provides them with good working environment, listens to their issues, helps and guides them on various issues.

10.7 POWER AND POLITICS

Power refers to capacity of a person to influence others' behavior. If a person or group possesses power that means he can influence the behavior of another person. The influence can be in the way of resources allocation, task allocation or target setting etc. Influencing the behavior of others is a natural phenomenon in day-to-day life. Power has also become a natural process in any organization now days.

“Power is the potential ability to influence behavior to change the course of events to overcome resistance and to get people to do things that they would not otherwise do.” –**Pfeffer**.

10.7.1 Sources of Power

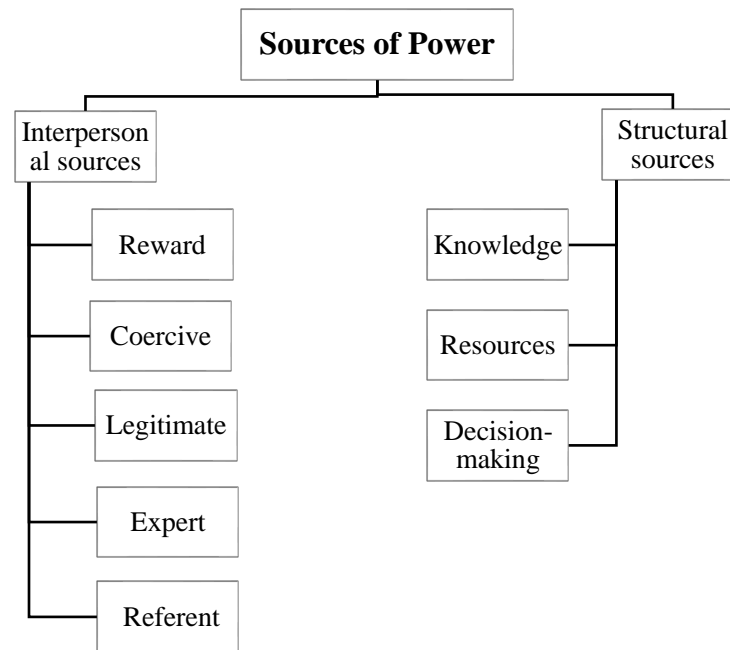
In any organization, a person can have powers from basically two sources which are interpersonal sources and structural sources.

Interpersonal Sources

Power in organization is oftenly due to interpersonal relationships of the manager and subordinates. There are five interpersonal sources of power as suggested by French and Raven:

- 1. Reward Power:** The person who owns the reward power is due to his control over the rewards in the organization. More the control over the rewards, more the power and more being valued by the subordinates. Rewards can be extrinsic (tangible rewards) or intrinsic (praise or recognition). For example, if a manager has a control over the powers to raise or decrease the salary of his subordinates in that case that particular manager will be having reward power over the employees whose salary can get influenced.
- 2. Coercive Power:** It is said to be coercive power when an individual can influence the behavior or others by punishing or by using coercive powers over their behavior. Subordinate gets influenced by the superior because they expect to be punished on failure to respond manager's directions. Fear from punishment makes subordinates to obey all the instructions of the manager. Worse the punishment, more the coercive power.

- 3. Legitimate Power:** When a manager gets power to influence others' behavior just because of his formal position in the organization in that case he is assumed to be having legitimate power. Subordinates have to follow the directions of that manager because that formal position acknowledges these rights to certain prescribed behaviors. Legitimate power is given to manager to empower him to take responsibility of a specified area like quality control, inventory control etc.



- 4. Expert Power:** Expert power is based on the perception that a particular person has expertise knowledge in particular field or area that others do not have. It is ability of a person to influence others with his specialized knowledge, skills and competencies. For example, a CA may advise his accountant on how to manage income to save tax.
- 5. Referent Power:** Referent power is also called charismatic power which is based on one's ability of being admired, attractive over others. This power is developed out of admiration from the followers for being desired to have same personality or positional nature. In other words, followers obey his superior just because they wanted to be the same as his superior.

Structural Sources

In addition to interpersonal sources, power may also arise due to characteristics of the situation in the organization like division of labour, resources, goals or work assignments etc.

1. **Knowledge Power:** Individual or group who possess knowledge will attain power automatically as knowledge is also considered as power in any organization. Person who has control over the information or its flow in the organization will have influence power to control the behavior of others.
2. **Resource Power:** Same as knowledge and information, the person who has control over the resources and its flow will attain power to influence others. Resources are the very important part of the organization for its survival it can be human resources, raw material or machinery etc.
3. **Decision-making Power:** Another source of power is the power of taking decisions of the organization. The decision-making process is very crucial and frequent activity in any organization which is also looked as source of power.

10.8 POLITICS

Politics refers to the process or activity to influence the behavior of others in order to protect self-interest or distribution of activities in such a way so as to distribute advantages and disadvantages into subordinates with the use of power.

“Politics refers to the structure and process of the use of authority and power to affect definition of goals, direction and the other major parameters of the organization. Decisions are not made in a rational way but rather through compromise, accommodation and bargaining.” – **Tushman.**

10.8.1 Forces Creating Political Behavior

1. **Scarcity of Resources:** Resources are limited and in today world almost every organization has scarcity of resources. In that case, the person having control over the distribution or allocation of resources exhibits political behavior by using his resource power.
2. **Non-Programmed Decisions:** When there is any problem arises which cannot be solved by structured method or pre-defined procedures. These unique problems are solved by experienced or experts having knowledge with their intuitions or skills which creates room for application of political behavior.
3. **Goal Complexity:** When everyone in the organization is clear about his goal and task to be performed by him, then there will be fewer chances of politics in the organization. But when

there is complexity of goals or vagueness in goals and task targets then there will be more room for political behavior.

4. **Technology Complexity:** When there is complexity in the technology, there will be more need for knowledge and skills which means there will be more politics as compared to the organization where there is simple technological process.
5. **Organizational change and External Environment:** Room of using political behavior also increases with the change in the organizational structure as compared to planned development of the organization. When external environment is more volatile, then there will be more politics and vice versa.
6. **Lust for Power:** People in the organization crave for the power enhancement so that they can influence the behavior of others. This is also a reason for the political behavior in the organization.
7. **Discretionary Authority:** Some people hold some discretionary powers to be used while in case of emergency. When the emergency arrives or whenever he feels so to use these powers, he gets indulge in political behavior.
8. **Organizational Culture:** The political behavior also depends upon the organizational culture for example level of trust, goal ambiguity, fairness of reward system and equitable treatment etc. Low level of trust, unclear goals, partiality improves the scope of political behavior.
9. **Saturation in Career:** When a person reaches its saturation level of career with his knowledge and skills, after that if he wants to grow more but unable to do so. In that case he uses politics in order to get promoted in the organizational hierarchy.

10.9 TO CHECK THE PROGRESS

10.9.1 Long Answer Questions

1. What do you mean by conflict? Explain various levels of conflict. How do these levels influence the organization?
2. What do you mean by team? Discuss the stages of team development.
3. What is leadership? Explain various theories of leadership.
4. What do you think that which type of leadership style is best and why?

5. What is Power? What are various sources of power?

10.9.2 Short Answer Questions and Answers

1. Laissez Faire Leadership Style
2. Autocratic Style
3. Power
4. Conflict Management
5. Team Development
6. Team Building

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COURSE: ORGANISATION THEORY AND BEHAVIOUR

UNIT 11: ORGANISATIONAL CULTURE AND CLIMATE

Structure

11.0 Objectives

11.1 Introduction

11.2 Concept of Organizational Culture

11.2.1 Nature of Organisational Culture

11.2.2 Significance of Organisational Culture

11.2.3 Features of Organisational Culture

11.2.4 Types and Functions of Organisational Culture

11.2.5 Elements of Organisational Culture

11.3 Organisational Climate

11.3.1 Meaning and Definition

11.3.2 Characteristics of Organisational Climate

11.3.3 Factors Influencing Organisational Climate

11.3.4 Impact of Organisational Climate

11.3.5 Developing A Sound Organisational Climate

11.4 Difference Between Organization Culture and Organization Climate

11.5 Why Is Organizational Culture Important?

11.6 How to Improve Organizational Culture

11.7 Let's Sum Up

11.8 To Check the Progress

11.8.1 Long Answer Questions

11.8.2 Short Answer Questions and Answers

11.0 OBJECTIVES

After going through this unit, you will be able to:

- Explain the meaning, nature of organizational culture;
- Describe various factors influencing organizational culture;
- Explain functions of organizational culture;
- Identify various elements of organizational culture;
- Discuss the concept of organizational climate;
- Describe the factors influencing organizational climate; and
- Suggest the process of creating favourable organizational climate

11.1 INTRODUCTION

Organisational culture refers to a system of shared meaning held by its members. It is expressed in terms of norms, values, attitudes and beliefs shared by organisational members. The organisational culture must be created and sustained in such a way that it develops the congenial environment in the organisation. On the other hand, organisational climate consists of a set of characteristics and factors that are perceived by the employees about their organization

11.2 CONCEPT OF ORGANIZATIONAL CULTURE

Culture is the pivot of any group or society. It determines the way members interact with one another and with outsiders. Stoner, Freeman and Gilbert have described culture, as the complex mixture of assumptions, behaviours, stories, myths, metaphors, and other ideas that fit together to define what it means to be a member of a particular society. However, scope of this chapter is limited to the study of culture within the organisation.

According to Eliott Jacques, an organisational culture is the customary or traditional ways of thinking and doing things, which are shared to a greater or lesser extent by all members of the

organisation, which new members must learn and at least partially accept in order to be accepted into the service of the firm.

11.2.1 Nature of Organisational Culture

- (i) Like an individual, every organisation has its own personality.
- (ii) The personality of the organisation defines the internal environment of an organisation.
- (iii) It differentiates an organisation from the others.
- (iv) It is relatively enduring or stable over time.
- (v) It is perceived by the members and the outsiders.
- (vi) It exercises a significant influence on the attitudes, behaviour and performance of organizational members.

11.2.2 Significance of Organisational Culture

Each organisation is recognised by its culture. Whenever people name an organisation, the culture attached to the organisation is immediately recalled. An organisation is distinctively different from other organisations by virtue of its cultural values, beliefs and norms.

- (i) Organisational culture creates the boundary beyond which no employees are permitted to go. They automatically observe the organisational standards and norms of behaviour.
- (ii) An organisation is well recognised by its culture. The culture of an organisation provides its stability. People prefer to continue with the organisation. Employees, customers, financiers and other related persons prefer to remain with the organisation.
- (iii) The social recognition of the organisational culture makes the organisation grow and develop in all dimensions.
- (iv) Organisational culture acts as a motivator that guides and controls the employees. Satisfied employees get more spirit and enthusiasm for performing their respective jobs.
- (v) The attitude and behaviour of the employees are directed towards the achievement of goals through a sound culture. Disciplined employees make other employees disciplined and well-behaved.

- (vi) Culture gives rise to a positive attitude and behaviour which are again an addition to culture. It refers to the various cycles of a positive behaviour, i.e., culture leads to good behaviour and good behaviour makes a good culture which is instrumental for better behaviour. This cycle goes on. Both the employees and the organisation enjoy the culture.
- (vii) The implicit rules developed under the organisational culture make people development-oriented. These rules are more effective than explicit rules or written instructions. Conformity of implicit rules makes the employees self-disciplined.

The advantages of a sound organisational culture are ultimately reflected in employee performance and satisfaction. The image of an organisation is increased and people are satisfied with the performance of the organisation. People's satisfaction lies in the employees' smile.

It is instrumental to increased production and satisfaction. A strong culture ensures better performance. Culture enhances organisational commitment and increases the consistency of employee behaviour. It reduces ambiguity and tells implicitly what to do and how to do.

11.2.3 Features of Organisational Culture

- 1. Innovation and Risk Taking:** 'Innovation is the way of life in Microsoft.' 'Innovation is the key characteristic of Gillette Company.' Companies encourage the employees to be innovative and risk takers at different degrees.
- 2. Attention to Detail:** 'Employees in the Boston Consultancy Group are expected to be precise, analytical and pay attention to even the minor details.' Thus, organisations require their employees to be precise, analytical and pay attention to the minute details at different degrees.
- 3. People Orientation:** 'Hewlett and Packard announced one day unpaid holiday for every nine working days and avoided lay-off.' Thus, the organisations take the effect of its decisions on the employees.
- 4. Team Orientation:** "Global Solutions repeats: "We Work." It does mean that the activities are designed around teams but not individuals. Thus, we today find team jobs rather than individual jobs.
- 5. Aggressiveness:** The employees of State Bank of India were not allowed to be aggressive whereas the employees of IDBI Bank are expected to be aggressive and competitive. Thus,

aggressiveness is the level to which the employees are expected to be competitive rather than easygoing.

- 6. Stability:** Most of the Indian Universities still have the status quo strategy of maintaining the traditional values and beliefs of 'Guru and Shishya' parampara of Gurukulas.
- 7. Radical Change:** In contrast to the stability strategy, most of the organisations after 1991 have the growth, diversification and conglomerate diversification strategies. It is the degree at which the organisational activities emphasized growth and diversification.
- 8. Customer Orientation:** Pizza Huts build up relationship with the customers and then adapt aggressive marketing strategies. It is the degree to which the management decisions take into consideration the effect of outcomes on customers of the organisation.

11.2.4 Types and Functions of Organisational Culture

A. Types of Organizational Cultures

- a. Strong Culture** – Refers to a culture that holds and shares the core values of the organization deeply and extensively.
- b. Dominant Culture** – Expresses the core values accepted and followed by the majority of the employees of the organization.
- c. Sub-Culture** – Refers to the mini-cultures or small cultures within an organization. For example, the culture prevalent in a particular department of an organization is sub-culture.
- d. Counter Culture** – Refers to the culture, which does not match with the values of the organization. Counter culture can be seen at the time of mergers and acquisitions when the employees of acquired organization may have cultural values that are conflicting with that of acquiring organization.

B. Functions of Organizational Cultures

Organizational culture performs a number of functions to make the employees feel at ease and increase the credibility of the organization.

Providing Sense of Identity to its Employees – Indicates that organizational culture is based on a unique collection of norms that gives the employees a feeling of belonging with the organization.

Enhancing Commitment towards Organization – Indicates that when the employees relate well with the values, beliefs, and philosophies of an organization, their commitment towards the organization increases.

Defining the Standard of Behavior – Indicates that various norms, processes, procedures, rules, and regulations define the acceptable and unacceptable behavior of employees. Thus, organizational culture defines the standard behavior of its employees.

Acting as a Binding Force – Indicates that the organizational culture acts as a bond between the employee and the organization. Thus, it acts as a force that joins the two with one set of goals and purposes.

11.2.5 Elements of Organisational Culture

- (i) **Individual Autonomy** – The degree of responsibility, freedom and opportunities of exercising initiative that individuals have in the organisation.
- (ii) **Structure** – The degree to which the organisation creates clear objectives, performance expectations and authority relationships.
- (iii) **Management Support** – The degree to which managers provide clear communication, assistance, warmth and support to their subordinates.
- (iv) **Identity** – The degree to which members identify with the organisation as a whole rather than with their particular work-group or field of professional expertise.
- (v) **Performance Reward System** – The degree to which reward system in the organisation like increase in salary, promotions etc. is based on employee performance rather than on seniority, favoritism and so on.
- (vi) **Risk Tolerance** – The degree to which employees are encouraged to be innovative, aggressive and risk-taking.
- (vii) **Conflict Tolerance** – The degree of conflict presents in relationships between colleagues and work-groups as well as the degree to which employees are encouraged to air conflict and criticisms openly.
- (viii) **Communication Patterns** – The degree to which organisational communications are restricted to the formal hierarchy of authority.

(ix) **Outcome Orientation** – The degree to which management focuses on results or outcomes rather than on the techniques and processes used to achieve these outcomes.

(x) **People Orientation** – The degree to which management decisions take into consideration the impact of outcomes on people within the organisation.

11.3 ORGANISATIONAL CLIMATE

Some persons have used organisational culture and organisational climate interchangeably. But there are some basic differences between these two terms. According to Bowditch and Buono, “Organizational culture is connected with the nature of beliefs and expectations about organisational life, while climate is an indicator of whether these beliefs and expectations are being fulfilled.”

Climate of an organisation is somewhat like the personality of a person. Just as every individual has a personality that makes him unique and different from other persons. Each organisation has an organisational climate that clearly distinguishes it from other organizations.

11.3.1 Meaning and Definition

“Climate in natural sense is referred to as the average course or condition of the weather at a place over a period of years as exhibited by temperature, wind, velocity and precipitation.”

According to Campbell, “Organisational climate can be defined as a set of attributes specific to a particular organisation that may be induced from the way that organisation deals with its members and its environment. For the individual members within the organisation, climate takes the form of a set of attitudes and experiences which describe the organisation in terms of both static characteristics (such as degree of autonomy) and behaviour outcome and outcome- outcome contingencies.”

Thus, organisational climate is a relatively enduring quality of the internal environment that is experienced by its members, influences their behaviour and can be described in terms of the value of a particular set of characteristics of the organization.

11.3.2 Characteristics of Organisational Climate

1. **General Perception:** *Organisational climate is a general expression of what the organisation is. It is the summary perception which people have about the organisation. It conveys the impressions people have of the organisational internal environment within which they work.*
2. **Abstract and Intangible Concept:** *Organisational climate is a qualitative concept. It is very difficult to explain the components of organisational climate in quantitative or measurable units.*
3. **Unique and District Identity:** *Organisational climate gives a distinct identity to the organisation. It explains how one organisation is different from other organisations.*
4. **Enduring Quality:** *Organisational climate built up over a period of time. It represents a relatively enduring quality of the internal environment that is experienced by the organisational members.*
5. **Multi-Dimensional Concept:** *Organisational climate is a multi- dimensional concept. The various dimensions of the organisational climate are individual autonomy, authority structure, leadership style, pattern of communication, degree of conflicts and cooperation etc.*

11.3.3 Factors Influencing Organisational Climate

Organisational climate is a manifestation of the attitudes of organisational members towards the organisation. Researchers have used the data relating to individual perception of organisational properties in identifying organisational climate. Even in this context, there is a great amount of diversity.

- (i) **Organisational Structure:** Perceptions of the extent of organisational constraints, rules, regulations, red tape,
- (ii) **Individual Responsibility:** Feeling of autonomy of being one's own boss,
- (iii) **Rewards:** Feelings related to being confident of adequate and appropriate rewards,
- (iv) **Risk and Risk Taking:** Perceptions of the degree of challenge and risk in the work situation,
- (v) **Warmth and Support:** Feeling of general good fellowship and helpfulness prevailing in the work setting.
- (vi) **Tolerance and Conflict:** Degree of confidence that the climate can tolerate, differing opinions.

11.3.4 Impact of Organisational Climate

Organisational climate influences to a great extent the performance of the employees because it has a major impact on motivation and job satisfaction of individual employees. Organisational climate determines the work environment in which the employee feels satisfied or dissatisfied. Since satisfaction determines or influences the efficiency of the employees, we can say that organisational climate is directly related to the efficiency and performance of the employees.

The organisational climate can affect the human behaviour in the organisation through an impact on their performance, satisfaction and attitudes. There are four a mechanism by which climate affects the behaviour of the employees.

1. Constraint System

Organisational climate can operate as a constraint system in both the positive and negative sense. This can be done by providing information to the employees about what kind of behaviour will be rewarded, punished or ignored. Thus, behaviour can be influenced by varying degrees of rewards and punishments. Such a constraint system would influence the behaviour of those people who are most interested in those specific values which are assigned to different behavioral outcomes.

2. Evaluation of Self and Others

Organisational variables may affect behaviour through evaluation of self and others. In this evaluation process both the physiological and psychological variables will be associated. Such evaluation will affect the human behaviour.

3. By Acting as Stimuli

Organisational factors can influence human behaviour by acting as stimuli. As stimuli they influence individual's arousal level, which is a motivational variable directing human behaviour. The level of arousal will directly affect the level of activation and hence performance.

4. By Helping the Individual to Form a Perception

Organisational factors influence the behaviour by helping the individual in forming a perception of the organisation. The perception then influences behaviour.

11.3.5 Developing A Sound Organisational Climate

To develop a sound organisational climate is a long term proposition. Organisational climate depends upon the organisational behaviour system. The organisational climate should represent the goals and philosophies of those who join together to create the organisation. The type of climate that an organisation seeks is contingent upon the type of people it has the type of technology, level of education and expects actions of people in it.

1. Effective Communication System:

There should be a two way communication in the organisation so that the employees know what is going on and react to it. The manager can modify his decision on the basis of feedback received.

2. Concern for People:

The management should be interested in the human resource development. It should work for the welfare of employees and an improvement in their working conditions. For developing a sound organisational climate, the management should have shown concern for the people.

3. Participative Decision Making:

The management should involve the employees in decision making process, particularly those decisions which are related to goal setting and affect them. Participative decision making will make the employees committed to the organisation and more cooperative also.

4. Change in Policies, Procedures and Rules:

The organisational climate can also be changed by making changes in the policies, procedures and rules. It is a time-consuming process but the changes will also be long lasting if the workers see the changes in policies, procedures and rules as favorable to them.

5. Technological Changes:

Generally, the workers and employees resist any innovative changes. But where technological changes improve the working conditions of the employees, the change will be easily accepted. Better climate will be there if the management adopts innovative changes in consultation with the employees.

11.4 DIFFERENCE BETWEEN ORGANIZATION CULTURE AND ORGANIZATION CLIMATE

1. Concept: Organization climate reflects current atmosphere of the organization in which the employees work. It provides opportunities to perform jobs according to the skills and a reward system which serves as motivators for employees (financial and non-financial)

Employees take advantage of the motivators to satisfy their needs. For example, financial motivators satisfy their physiological needs and non-financial incentives satisfy psychological needs. Organization culture, on the other hand, reflects the atmosphere of the organization which has evolved over a number of years. It takes years for organizations to develop culture and climate is generally reflected for shorter periods.

2. Evolution: Organization climate evolves according to needs of the organization to adapt to the internal and external environment. It gives a feel of current atmosphere of the organization. Organization culture evolves over years. An organization earns goodwill and reputation through its culture. It gives a feel of the organization itself.

3. Manipulation: Organization climate can be manipulated and changed according to needs of the environment (internal and external). It can change according to behavior of its employees. Organization culture cannot be easily manipulated and changed. As it takes years to develop organization culture, changes are introduced only if felt absolutely necessary. Members have to change their behavior according to organization culture.

4. Focus: Organization climate focuses on current work practices of the organization. These practices are defined within the values and norms of the organization. However, the values and norms are defined by organization culture.

5. Perspective: Organization culture is a broader framework that determines its climate. Organization climate is short-term perspective that defines its day-to-day functioning.

Organization climate defines employees' feelings about what the organization is and organization culture defines what the organization is as perceived by those who deal with the organization.

11.5 WHY IS ORGANIZATIONAL CULTURE IMPORTANT?

- Increased employee engagement
- Decreased turnover
- Strong brand identity
- Elevated productivity
- Transformational power
- Top performers
- Effective on boarding
- Healthy team environment

Increased employee engagement

A work environment that possesses organizational culture is driven by purpose and clear expectations. This motivates and inspires employees to be more engaged in their work duties and interactions with others. It also leads to high levels of workforce engagement, which drives productivity. Having a strong connection to an organization and its people creates an atmosphere of positivity that is hard to ignore.

Decreased turnover

People who feel valued and respected at a company are less likely to leave it. That's why it's essential for brands to foster a winning organizational culture that supports their core values and mission statement. Happy employees mean less turnover, which saves companies time and money in the hiring process. Companies that achieve a strong culture must take steps to maintain and improve it.

Elevated productivity

When employees have the resources and tools they need to succeed, it helps increase productivity and performance levels overall. Organizational culture impacts the structure of a workplace in ways that bring people of the same skill set together. Those who share similar backgrounds and skills may work more quickly together when tackling company projects.

Strong brand identity

A company's organizational culture represents its public image and reputation. People make assumptions about businesses based on their interactions within and outside of the company. If it

lacks organizational culture or has a weak image, customers may hesitate to do business with anyone who is associated with the brand. Businesses with a strong brand identity tend to attract more business and job candidates with similar values who support their mission.

Transformational power

Not all businesses have the power to transform ordinary employees into total brand advocates, but those with a strong organizational culture do. Companies that recognize their employees' efforts and celebrate team successes are more likely to notice a change in employees as they experience a sense of accomplishment.

Top performers

Companies that promote community in the workplace are more likely to retain their best employees. People who are great at their jobs and know the value of their skills commonly leave negative work environments where they feel undermined and unappreciated. Organizational culture builds a high-performance culture that strengthens the work of people within the company, resulting in a positive employee experience overall.

Effective on boarding

More and more, businesses with an organizational culture are relying on effective on boarding practices to train new hires. On boarding practices that include orientation, training and performance management programs help new employees access the right resources and better transition into their roles. This promotes employee longevity and loyalty and reduces the amount of frustration some employees experience when they don't have the information needed to do their job well. On boarding is a great way for companies to ensure new hires understands the core values of their business.

Healthy team environment

Organizational culture helps improve workflows and guides the decision-making process. It also helps teams overcome barriers of ambiguity. Team members who are informed and knowledgeable about certain processes are often more motivated to finish projects. Having a clear culture that unifies employees and promotes organized work structures helps people work together with purpose.

11.6 HOW TO IMPROVE ORGANIZATIONAL CULTURE

1. Communicate well
2. Listen to concerns and ideas
3. Provide feedback
4. Be consistent

1. Communicate well

Knowing how to communicate well is the best way to improve organizational culture. Miscommunication is the main reason people become unsatisfied with their jobs and start Looking for other opportunities. Help your team have a better experience by doing your part to communicate well. When sending emails and contributing to meetings, try to share your ideas in the clearest possible way. Sometimes it helps to provide people with the background information of an issue or give specific examples. When people seem confused, look for ways to simplify your message. Encourage people to ask questions.

2. Listen to concerns and ideas

If you're in a leadership position, provide your employees with a public (or anonymous) platform that makes it easy for them to share their opinions. Encourage one-on-one meetings with team members to allow them the chance to speak openly, yet privately about sensitive concerns. Letting employees know they can come to you when they have questions helps them feel valued.

3. Encourage feedback

If you notice that a certain aspect of the company needs improvement, take time to provide feedback regarding the issue and encourage others to do the same. Some companies have policies in place that dictate the process of giving feedback, while others are more relaxed. When leaving feedback, keep your communication professional and honest. Provide details and offer possible solutions to any problems the company is facing.

4. Consistent

Being consistent in your leadership efforts helps people experience a sense of stability. Once a company's organizational structure is in place, do your best to maintain processes and procedures. Treat everyone in the same professional manner and avoid giving preferential treatment.

11.7 LET'S SUM UP

Organisational culture determines the way members of an organisation interact with one another and with outsiders. Culture provides system of shared meaning among members. The basic elements of culture are: artifacts, espoused values and basic assumptions. The major functions of organisational culture include: sense of identity, enhancement of commitment and reinforcement of behaviour. Moreover, strong organisational culture may also create some barriers; like barriers to change, diversity and acquisition and merger. Several factors influence organisational culture. These factors help in creation and sustaining of culture in an organisation. Employees understand organisational culture through symbols, stories, Jargon, ceremonies and statement of principles. Culture has a strong impact on the performance of the organisation. The distinctive organisational culture may be classified into: networked culture, mercenary culture, fragmented culture and communal culture. Organisational culture creates its impact on work place; hence, we must develop ideal organisational culture for smooth functioning of all members of the organisation. Organisational climate is a measure of how do members perceive the organisation. It can be explained in terms of its dimensions. The process of organisational climate include: orientation, interpersonal relationship, supervision, problems, management of mistakes, conflict management, communication, decision making, trust, management of rewards and innovation and change. The favorable organisational climate leads to perceived equality and more effectiveness.

11.8 TO CHECK THE PROGRESS

11.8.1 LONG ANSWER QUESTIONS

1. What do you mean by Organizational Culture?
2. Discuss the main characteristics of organizational culture?
3. What are the functions of organizational culture?
4. Describe the basic elements and determinants of organizational culture?
5. How does organizational culture create its impact on work place?
6. Suggest measures for developing organizational culture.
7. Explain dimensions of organizational climate. How favorable organizational climate can be created?

11.8.2 SHORT ANSWER QUESTIONS AND ANSWERS

1. Elements of Organisational Culture
2. Nature of Organisational Culture
3. Impact of Organisational Climate

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COURSE: ORGANISATION THEORY AND BEHAVIOUR

UNIT 12: ORGANISATIONAL DEVELOPMENT AND EMERGING TRENDS IN OB

STRUCTURE

12.0 Objectives

12.1 Introduction

12.2 Organizational Development

12.2.1 Characteristics of Organizational Development

12.2.2 Determinants of Organisational Behavior

12.2.3 Major Techniques of Organization Development

12.2.4 Benefits of Organizational Development

12.2.5 Process of Organizational Development

12.3 Emerging Trends in Ob

12.4 Components of The Action Research Model

12.5 Let's Sum Up

12.6 To Check the Progress

12.6.1 Long Answer Questions

12.6.2 Short Answer Questions and Answers

12.0 OBJECTIVES

After study the chapter, you should able to learn:

- Discuss the concept of organizational development
- Describe the characteristics of organizational development

- Emerging trends in OB

12.1 INTRODUCTION

Organizations have witnessed great transformation in respect of structure, operations, and people due to trends in globalization, employment relationships, changing workforce, and information technology. Organizational development is a critical and science-based process that helps organizations build their capacity to change and achieve greater effectiveness by developing, improving, and reinforcing strategies, structures, and processes.

12.2 ORGANIZATIONAL DEVELOPMENT

Organization development (OD) is an effort that focuses on improving an organization's capability through the alignment of strategy, structure, people, rewards, metrics, and management processes. It is a science-backed, interdisciplinary field rooted in psychology, culture, innovation, social sciences, adult education, human resource management, change_management, organization behavior, and research analysis and design, among others.

12.2.1 Characteristics of Organizational Development

1. Long Term Plan: OD is a planned approach to managing change. It emphasizes a long-term plan to improve the working efficiency of the organization.
2. Broad-Based: OD is a broad-based approach implemented to a comprehensive change in the overall system of the organization. These changes involve organizational redesign, change in organizational philosophies, culture, system, skills, etc. These changes are initiated to adapt the organizational performance based on time.
3. Dynamic Process: OD is a dynamic process and amendable based on requirements. It needs investment in huge capital and time to modify its systems and procedures. It is an ongoing and interactive process up to the functioning of the organization.
4. System Perspective: OD is an overt and wide system. All the subsystems of an organization are interrelated to each other. Only some changes in subsystems may become worthless if they can not affect the whole system. So, it emphasizes change on the whole system based on requirements.

5. **Focus on Behavior:** OD focuses on behavior science rather than the mechanistic approach. It primarily emphasizes the organizational process. The record of action and reaction of people in each stage of work is taken into account for plans.
6. **Research-Based:** Interventions of OD are based on research and experiments. OD experts collect data and information and analyze information through relevant tools for taking decisions. It facilitates implementation.
7. **Empowered Process:** It emphasizes employees utilize their full potential and talent. They are independent to decide for the work they are responsible for. They can use their idea and knowledge to complete the assigned job.

12.2.2 Determinants of Organisational Behaviour

- 1. People:** An organization cannot be effective without people who possess the potential and a personal predisposition needed to implement the organizational strategy. Selective hiring, thus, becomes crucial for effectiveness. This differs from one organization to another based on their values and business objective. Assessing personal qualities during selection such as intelligence, cooperation, initiative, or ability to learn and judgment is also essential rather than hiring exclusively based on technical expertise which can be taught. Equally important is a careful assessment of candidates' attitudes and capabilities for cultural fit and future growth in the organization. Only in this manner, can the culture be changed or maintained. Industrial psychologists have developed sophisticated methods for assessing candidates for the same given organization.
- 2. Technology:** The workarounds a given technology can be used to control labor costs, decision making, promotion, career prospects, and relative status of different groups in an organization. Technology Sociologists have discovered that technological developments are a major source of social, political, and economic change. The technology of an organization is the collection of tools, machines, and plants available at a given time for the execution of production tasks and the rationale underlying their utilization. It is argued that technology and its management also have considerable influence on organizational behavior and the nature of work. Managers can use technology to manipulate workers and their working conditions. Therefore, organizations must strive to employ new information and computing technology to remain

competitive in the global market. While technology can be used to explain organizational behavior, it also explains the work groupings, hierarchy, nature of jobs, skills, values, and attitudes in a given organization. The workarounds a given technology can be used to control labor costs, decision making, promotion, career prospects, and relative status of different groups in an organization.

- 3. Structure:** The structure, systems, human resource policies, and practices of a firm shape organizational behavior. Decisions about structure and systems are key to implementing organizational strategy. All organizational design decisions must balance the two opposing considerations of differentiation and integration. Differences between departments like the work performed, the time horizon of the work, and interpersonal orientation are the source of creative energy required for innovation. Integration across differentiated departments is needed to respond to market needs, swiftly, efficiently, and effectively.
- 4. Environment:** Organizational environment is denoted by internal and external environmental factors influencing organizational activities and decision-making. The internal environment of any organization defines the culture and is of paramount importance for the entities that make up the organization. Their attitude, behavior, and performance are a direct outcome of the organizational culture although it varies from person to person. In short organizational culture defines the attitude, experience, belief, and psychology of an organization which is very important for the employees as it helps them in understanding the objective and philosophy of the organization. The external environment of an organization can be characterized by the industry, the intensity of competitive rivalry, the certainty of information available, the labor markets from which the organization recruits, the operating technology employed, the institutional and political context in which top management is embedded and the societal culture in which the organization is located. These facets of the environment affect organizational behavior through their influence on the organization design, the people, the choices leaders make about strategy, human resource policies, and leadership style.

12.2.3 Major Techniques of Organization Development

- (1) Survey feedback,
- (2) Team Building,
- (3) Sensitivity Training,

- (4) Managerial Grid,
- (5) Management by Objectives (MBO),
- (6) Brain Storming,
- (7) Process Consultation,
- (8) Quality Circles, and
- (9) Transactional Analysis.

1. SURVEY FEEDBACK

Information is collected through survey method. This is the most popular and widely used method of data collection. The managers use this information collected through survey for making decisions. The wide range of data is collected regarding working conditions, quality of work, working hours, wages and salaries, attitude of employees relating to above. These data are then analyzed by the team of managers. They find out the problem, evaluate the results and find out solutions

2. TEAM BUILDING

Team Building is another method of organization development. This method is specifically designed to make improvement in the ability of employees and motivating them to work together. It is the organization development technique which emphasizes on team building or forming work groups in order to improve organizational effectiveness.

These teams consist of employees of the same rank and a supervisor. This technique is an application of sensitivity training to the teams of different departments. The teams or work groups are pretty small consisting of 10 to 15 persons. They undergo group discussion under the supervision of an expert trainer usually a supervisor. The trainer only guides but does not participate in the group discussion.

3. SENSITIVITY TRAINING

It is quite popular OD intervention. It is also known as laboratory training. Under this technique the employees in groups are asked to interact. The aim of sensitivity training is to help people understand each other and gain insight so that they feel free and become fearless.

Abraham Korman has rightly observed that, “the assumptions of sensitivity training procedure are that, if these goals are achieved, one will become defensive about himself, less fearful of the

intentions of others, more responsive to others and their needs, and less likely to misinterpret others' behaviours in a negative fashion.

“Under this technique the different groups of employees are allowed to mix up with each other and communicate freely and build up interpersonal relationship. They learn the reflection of their behavior and try to improve it. In the words of Chris Argyris, “sensitivity training is a group experience designed to provide maximum possible opportunity for the individuals to expose their behavior, give and receive feedback, experiment with new behavior and develop awareness of self and of others.”

The employees through this technique know others feelings and behavior and the impact of their behavior on others. It builds up openness, improves listening skills, tolerate individual differences and the art of resolving conflicts. It helps in reducing interpersonal conflicts in the organization.

4. MANAGERIAL GRID

This technique is developed by industrial psychologist's duo Robert Blake and Jane Mouton. The concept of managerial grid identifies two major dimensions of management behavior. They are people oriented and production-oriented behaviours. Attempts are made to pay increased attention to both the variables.

5. MANAGEMENT BY OBJECTIVES (MBO)

MBO is a technique of management development which was put forward for the first time by Peter Drucker in 1954. It is a method of achieving organizational objectives and a technique of evaluation and review of performance. Under this method objectives of the organization are fixed and responsibility to achieve them lie on the managers and results are expected from them.

Achievement of organizational objectives is considered as the joint and individual responsibility of all managers. It also provides a perfect appraisal system. Performance of the managers is measured against the specific objectives. It is result oriented technique.

George Odiorne observed that MBO is, “a system wherein superior and subordinate managers of an organization jointly identify its common aims, define each individual's major areas of responsibility in terms of the results expected of him and use these measures as guides for operating the unit, assessing the contribution benefits of its members.”

6. BRAIN STORMING

It is a technique where a group of five to eight managers come together and find a solution to a problem. As the name suggests it involves storming of the brain to develop creativity in thinking. It gives rise to new ideas. The principle involved in it is that any idea, thought or plan put forward in a meeting must be critically evaluated. The participants are asked to come forward with novel ideas generated in their mind. It works on a premise that everyone has a creative mind and capability to generate new ideas.

7. PROCESS CONSULTATION

The technique of process consultation is an improvement over the method of sensitivity training or T Group in the sense that both are based on the similar premise of improving organizational effectiveness through dealing with interpersonal problems but process consultation is more task oriented than sensitivity training.

In process consultation the consultant or expert provides the trainee feedback and tell him what is going around him as pointed out by E H Schein that the consultant, “gives the client ‘insight’ into what is going on around him, within him, and between him and other people.”

Under this technique the consultant or expert provides necessary guidance or advice as to how the participant can solve his own problem. Here the consultant makes correct diagnosis of the problem and then guides the participants.

8. QUALITY CIRCLES

Under this system a group of 5 to 12 come together at their own free will during working hours once in a week and discuss out the problems and suggests solution to the management for implementation. The supervisors remain present during the meeting. Quality Circles have their origin in Japan in nineteen sixties which improved the quality, reduced cost and heightened the morale of the workers. The success was due to workers’ participation. Total quality management or TQM is the recent development. This concept was adopted by the USA in 1980.

9. TRANSACTIONAL ANALYSIS

Transactional analysis helps people to understand each other better. It is a useful tool for organizational development but it has diverse applications in training, counseling, interpersonal communication and making analysis of group dynamics. Nowadays, it is widely used as OD

technique. It helps in developing more adult ego states among people of the organization. It is also used in process consultation and team building.

12.2.4 Benefits of Organizational Development

1. Continuous development: Entities that participate in organizational development continually develop their business models. Organizational development creates a constant pattern of improvement in which strategies are developed, evaluated, implemented, and assessed for results and quality.

In essence, the process builds a favorable environment in which a company can embrace change, both internally and externally. The change is leveraged to encourage periodic renewal.

2. Increased horizontal and vertical communication: Of considerable merit to organizational development is effective communication, interaction, and feedback in an organization. An efficient communication system aligns employees with the company's goals, values, and objectives.

An open communication system enables employees to understand the importance of change in an organization. Active organizational development increases communication in an organization, with feedback shared continuously to encourage improvement.

3. Employee growth: Organizational development places significant emphasis on effective communication, which is used to encourage employees to effect necessary changes. Many industry changes require employee development programs. As a result, many organizations are working toward improving the skills of their employees to equip them with more market-relevant skills.

4. Enhancement of products and services: Innovation is one of the main benefits of organizational development and is a key contributing factor to the improvement of products and services. One approach to change is employee development – a critical focal point is a reward for motivation and success.

Successful engagement of employees leads to increased innovation and productivity. Through competitive analysis, consumer expectations, and market research, organizational development promotes change.

5. Increased profit margins: Organizational development influences the bottom line in many different ways. As a result of increased productivity and innovation, profits and efficiency

increase. Costs come down because the organization can better manage employee turnover and absenteeism. After the alignment of an entity's objectives, it can focus entirely on development and product and service quality, leading to improvements in customer satisfaction.

12.2.5 Process of Organizational Development

A conventional approach in the organizational development process is the action research model. This model is used by many organizations to guide the OD process. It entails what its name describes – research and action.

However, there is much more to the OD process than just research and development. There are multiple loops used to transmit feedback, which makes an organization more responsive to change.

12.3 EMERGING TRENDS IN OB

Organizations today have witnessed a great development from the olden times, particularly in respect of structure, operations, and people as a result of the challenges in the modern business environment. The influence of MNCs, changes in the cross-culture environment, growth in the technical know-how, and quality management have provided a different environment to modern organizations. Many trends significantly coerce an organization's values and behavior. Some of the important trends observed are explained below:

Customizing Employee Experiences

One of the most powerful megatrends shaping the labor market is Individualization – the demand by individuals to be treated as such in the workplace. With globalization, people have discovered a wider range of life and career options which transforms their motives as employees and consumers. Lifestyle, recognition, self-expression, and ethics are taking priority over price, pay, and promotion. With organizations no longer expecting loyalty, creating a customized employee experience is vital to facilitating integrated employment outcomes.

Smart employers are designing ways of working to suit individuals, not the organization in an attempt to get closer to their markets and workforce. This has resulted in the demand for more flexible, less centralized, and flatter structures.

Implications on Organizational Behavior

To survive in the marketplace, everybody in leadership and HR needs to have a working knowledge of key drivers of employee engagement and the fundamental human needs that a work experience must satisfy. Customizing an employee experience is not about indulging entitled workers and managers need to understand that. Since different approaches work for different people, managers need to identify the unique motivators which would drive each employee to perform his/her best and also increase job satisfaction. Managers also need to develop the communication skills that enable them to have customized engagement conversations with their employees.

Emerging Employment Relationship

Changing trends in organizations in recent years have made it crucial for managers to consider some of the emerging employee relation issues which can affect employers in the coming decade. A major employment shift is the increasing percentage of the workforce in contingent work. It includes the jobs in which an individual does not have a long-term explicit or implicit employment contract, or wherein the minimum working hours vary in a non-systematic way. Another dramatic change in the employment relationship is telecommuting. Also known as teleworking, this gives the employee flexibility to work from home or another location away from the office. Telecommuting poses several organizational behavior challenges. Employers who previously evaluated employees based on the number of hours they were physically present at the workplace (face-time), need to develop outcome-based measures of performance. Employees need to manage themselves through self-leadership due to the absence of direct supervision. They also need to adjust to the lack of political networking and increased isolation.

Implications on Organizational Behavior

The employer-employee relationship has undergone a major transformation in the modern era. A participative style of leadership is welcomed wherein employees are also involved in the decision-making process. This includes lower-level employees as well to ensure an upward communication of thoughts and ideas. Flexible working hours and increased authority motivate employees to perform their best. Understanding all these changes and the issues arising out of them will help management to better plan and respond to changes in the workplace.

Changing Perception of Future Workforce

Working lives are changing as a result of global economic shifts, technological advancements, changing demographics, and increased ease of relocation for certain levels of skill and education. The professional world now has a higher level of gender and cultural diversity and people are staying longer in professional roles. In an attempt to increase their chances of matching their professions with their values, millennials are turning to entrepreneurship and putting a greater emphasis on finding meaning and social purpose through work. Enabled by technologies that allow working from remote locations across different countries and time zones, a more flexible and decentralized 'knowledge-based' workforce is coming to the fore. These changes have affected how we work, where, and to what ends.

The younger generation of workers has different needs and is rethinking their psychological contract with employers; they're quick to leave an organization if it's not meeting their expectations. Thus, retaining and developing the right mix of people in the organization will be a critical success factor in the next five years.

Implications on Organizational Behavior

Diversity presents both opportunities and challenges within organizations. It has become a competitive advantage by improving adaptability, productivity, and decision-making skills. For many businesses, a diverse workforce is also necessary to provide better customer service in the global marketplace. Workforce diversity also brings new challenges. For instance, even though women have represented a large portion of the workforce for the past two decades, they remain underrepresented in senior executive positions. Diversity issues such as perceptual distortions and organizational largely explain this discrepancy. Diversity also influences team development and the potential for conflict among employees. Organizations need to address these budding problems and adapt to emerging workforce needs.

Work and Ethics

Ethics is a major trend in organizational behavior today. It refers to the code of conduct of individuals in organizations in maintaining order and flow of activities. Almost every organization has adopted a code of ethics which has been developed over time and is required to be followed by all the employees. It is done on a strict basis, to the extent of making it mandatory for each

person to have a copy of all codes of behavior. Annual training is imperative today for all to be updated with ethical values.

Globalization

In an endeavor to gain access to new sources of revenue, tap new marketplace and reduce costs through specialized labor, organizations are becoming global. Moreover, the way companies integrate their business practices with other countries has also changed. Organizations have begun outsourcing some parts of their supply chain to gain the advantage of specialization and focus on their core competencies.

An increase in global mergers and network organizations has led to strategic, technological, cultural, structural, and work redesign. To effectively respond to the challenges brought in by the global economy, there is a strong expectation of employees to improve their knowledge and become an integral part of the successful business formula.

Implications on Organizational Behavior

Globalization requires different forms of communication and new organizational structures to extend around the planet. This brings in new knowledge and often creates new career opportunities to improve the organization's competitive advantage. However, globalization also increases competition, which leads to continuous change and restructuring. This sometimes results in downsizing (layoffs), mergers, and other events that result in stress and dissatisfaction among employees. Globalization also affects how we apply organizational behavior concepts and practices.

Information Technology and OB

Recent years have seen exponential growth in the prominence of information technology (IT). Globalization has led to a transformation of the market structure as well as the customer needs and demands. Technology has changed the nature of work as well as the roles of employees. The ever-increasing globalization and decentralization of work processes have resulted in the introduction of virtual teams by many organizations to respond to their dynamic environments. These culturally diverse and temporary dimensions of virtual teams do not match with their stability as members have different social, ethnic, or cultural backgrounds. More generally, information technology

challenges traditional business logic regarding how organizations are configured, how their employees interact, and how they relate to the customers.

Building Employee Engagement

Managers unequivocally agree that this century demands more efficiency, coherence, and productivity than any other time in history. While managers grapple with organizational challenges, businesses strive to increase their performance to succeed putting their company ahead of competitors. Knowledge workers expect job satisfaction, operational autonomy, and status at the workplace which cannot be managed with old styles of totalitarian management. Due to these facts, managers are shifting their focus towards the employees' side of organizations. Companies have increasingly realized that a distinctive corporate culture needs to be built in which the values and goals of managers are aligned across all work sections.

Roadmap to Bridge the Gap

The question of how to bridge the gap between research and practice has emerged as a dominant topic in the academic literature as scientific knowledge in the field of organizational behavior accumulates. The frequent use of the metaphor 'bridging-the-gap' in books, articles, and studies suggests that a wide chasm separates scholars in organizational behavior and practicing managers. Scientific research is the main source of knowledge about organizational behavior and human resource management on the scholarly side. On the other hand, there are the day-to-day exigencies of the role that appear far disconnected from the academic discipline on the manager side. To bridge the gap, a conduit needs to be constructed through which scholars can transmit the accumulated knowledge to managers.

Exploring the Future

Any exploration into the future of OB is guided by some underlying assumptions of the field. These assumptions identify, to a great extent, the possible ways to navigate the future. These navigation paths are not likely to change in the short or midterm. We view OB as a field of inquiry characterized by tremendous diversity. Diversity comes in the form of many disciplinary perspectives (e.g., psychology, sociology, economics, political science) aimed at understanding organizations. The diversity comes in the form of different theories and methods. There are no commonly accepted theories or methods. There is no likely convergence in this field now or in the

future. Since OB has been characterized as an applied field, external forces have determined and will determine many areas of research. Some of the principal forces come from changes in economic, political, technological, and demographic arenas. These strong external and institutional forces shape much of what we do, and that create both opportunities and stabilities. In many ways, the field is reactive to these forces. Changes in economic conditions or the emergence of new technology stimulate how we structure our work to understand organizational functions.

Organisational culture determines the way members of an organisation interact with one another and with outsiders. Culture provides system of shared meaning among members. The basic elements of culture are: artifacts, espoused values and basic assumptions. The major functions of organisational culture include: sense of identity, enhancement of commitment and reinforcement of behavior. Moreover, strong organisational culture may also create some barriers; like barriers to change, diversity and acquisition and merger. Several factors influence organisational culture. These factors help in creation and sustaining of culture in an organisation. Employees understand organisational culture through symbols, stories, Jargon, ceremonies and statement of principles. Culture has a strong impact on the performance of the organisation. The distinctive organisational culture may be classified into: networked culture, mercenary culture, fragmented culture and communal culture. Organisational culture creates its impact on work place; hence, we must develop ideal organisational culture for smooth functioning of all members of the organisation. Organisational climate is a measure of how do members perceive the organisation. It can be explained in terms of its dimensions. The process of organisational climate include: orientation, interpersonal relationship, supervision, problems, management of mistakes, conflict management, communication, decision making, trust, management of rewards and innovation and change. The favourable organizational climate leads to perceived equality and more effectiveness.

12.4 COMPONENTS OF THE ACTION RESEARCH MODEL

1. Problem diagnosis: The organization development process begins by recognizing problems. The method of diagnosis usually takes the form of data gathering, assessment of cause, as well as an initial investigation to ascertain options.

2. Feedback and assessment: The feedback and assessment step often involves proper investigation of identified problems so that there is a deep understanding of the challenge at hand. This can include an appraisal of documents, focus groups, and customer or employee surveys,

hiring consultants, and interviewing current employees. Information gathered is used to re-evaluate the challenges in the first step.

3. Planning: Once an organization defines and understands its challenge, an action plan is put together. The plan lays down all the intervention measures that are considered appropriate for the problem at hand. Usually, the measures include such things as training seminars, workshops, team building, and changing the makeup or structure of teams. Additionally, measurable objectives, which define the expected results, form an integral part of the overall plan.

4. Intervention and implementation: Once a plan is in place, the intervention phase commences. Since the organizational development process is complicated, implementation processes are a key element of the model. As an example, if training classes are preferred over other methods, test results will form the basis upon which the training process is evaluated. The objective at this point is to ensure the required changes take place. If that is not the case, feedback is assessed and used to bring about the required change.

5. Evaluation: As soon as the intervention plan is complete, the outcome of the change in the organization is assessed. If the required change does not take place, the organization looks for the cause. Adjustments are made to ensure the obstacle is eliminated.

6. Success: Success denotes that the desired change took place. A proper plan and efficiency standards are put in place to ensure that the new switch is sustainable. Ongoing monitoring is needed to ensure that implemented changes last. Furthermore, as markets and organizations change, new problems can arise, leading to the push for further development. Great organizations evolve continuously.

7. Final Thoughts: Organizational development is essential, as it helps organizations transition into a more productive phase. Change helps to bring new ideas and ways of doing things, and it ensures that an entity is innovative and profitable.

12.5 LET'S SUM UP

Organizations are witnessing constant changes in modern era. The emergence of cross-cultural environment, technological oriented work place, increasing participation of employees, continuous up gradation and increasing role of Multinational Corporation requires new ways of managing them. Moreover, in an era of the competitive environment, survival and excellence are possible

through maintaining high quality of products and services. It examines the broad outlines of long-term trends in the field of OB, as reflected in shifts in the pertinent literature. This will prove informative for a variety of readers: established academicians can compare their opinion with the data; younger researchers can better understand the history of the sector they are joining; practitioners and managers can see what academic observers of organizations have deemed important and what the future holds. It provides a detailed list of behavioural disciplines and external forces that are the root of modern organizational behavior.

12.6 TO CHECK THE PROGRESS

12.6.1 Long Answer Questions

1. What is organizational development? What are its characteristics?
2. Discuss the benefits of organizational development.
3. Explain some of the emerging trends in the fields of organizations and Organizational Behavior. How these changes influence the organization?

12.6.2 Short Answer Questions and Answers

1. Information Technology and OB
2. Globalisation and OB
3. Transactional Analysis
4. Managerial Grid
5. Organisational Development