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SYLLABUS

ORGANISATIONAL BEHAVIOUR

Chapter-I : INTRODUCTION

PART-I

Unit-I : Emergence, concepts, importance, nature, characteristics.

Unit-II : Models, cognitive, behaviourist , social cognitive framework.

Unit-III : Relationship with other fields.

PART-II

Unit-I : Perception—nature, concept, process and importance.

Unit-II : Attitude—concept, process, importance, attitude measurement.

Unit-III : Personality—concept, nature, types and theories.

Unit-IV : Learning—concept and theories.

Chapter-II : WORK MOTIVATION

Unit-I : Concept, application, principles theories, involvement.

Unit-II : Theories of Motivation: Maslow's need hierarchy, Herzberg theory of motivation.

Chapter-III : GROUP DYNAMICS

Unit-I : Definition types of groups, Stage of Group Development.

Unit-II : Group characteristics, Group Structure, Group norms and Group cohesiveness. Group decision-making.

Chapter-IV : LEADERSHIP

Unit-I : Definition and framework of leadership perspectives.

Unit-II : Leadership theories and models: Trait theories, Behavior theories, Leadership Styles.

Unit-III : Nature of Conflict, Reactions of Conflict, Managing Conflict.

Chapter-V : ORGANISATIONAL CHANGE

Unit-I : Forces of change, Process for Planned Organisational Cultures.

Unit-II : Globalisation and Organisational Cross Cultures, the emergence of global organization.

CHAPTER – I

INTRODUCTION

Introduction

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STRUCTURE

- Introduction
- Emergence of Organisational Behaviour
 - Specific Contributions
- Concepts
- Nature and Characteristics
- Importance
- Goals of Organisational Behaviour
- Models of Organisational Behaviour
- Behaviourist
- Social Cognitive Framework
- Relationship with Other Fields
- Perception (*Nature and Concept*)
- Attitude
- Personality
- Learning
- Summary
- Review Questions and Further Readings

LEARNING OBJECTIVES

After going through the unit, students will be able to:

- state the fundamental concepts of organisational behaviour;
- classify and explain the models of organisational behaviour;
- explain the importance and nature of OB;
- discuss the relationship of OB with other fields;
- discuss the concept of perception, attitude, personality and learning.

INTRODUCTION

The study of Organizational Behaviour (OB) is very interesting and challenging too. It is related to individuals, group of people working together in teams. The study becomes more challenging when situational factors interact. The study of organizational behaviour relates to the expected behaviour of an individual in the organization. No two individuals are likely to behave in the same manner in a particular work situation. It is the predictability of a manager about the expected behaviour of an individual. There are no absolutes in human

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behaviour. It is the human factor that is contributory to the productivity hence the study of human behaviour is important. Great importance therefore must be attached to the study. Researchers, management practitioners, psychologists, and social scientists must understand the very credentials of an individual, his background, social framework, educational update, impact of social groups and other situational factors on behaviour.

Managers under whom an individual is working should be able to explain, predict, evaluate and modify human behaviour that will largely depend upon knowledge, skill and experience of the manager in handling large group of people in diverse situations. Preemptive actions need to be taken for human behaviour forecasting. The value system, emotional intelligence, organizational culture, job design and the work environment are important causal agents in determining human behaviour. Cause and effect relationship plays an important role in how an individual is likely to behave in a particular situation and its impact on productivity. An appropriate organizational culture can modify individual behaviour. Recent trends exist in laying greater stress on organizational development and imbuing a favourable organizational culture in each individual. It also involves fostering a team spirit and motivation so that the organizational objectives are achieved.

There is a need for commitment on the part of the management that should be continuous and incremental in nature. The scope of the organizational behaviour is as under:

- (a) Impact of personality on performance
- (b) Employee motivation
- (c) Leadership
- (d) How to create effective teams and groups
- (e) Study of different organizational structures
- (f) Individual behaviour, attitude and learning
- (g) Perception
- (h) Design and development of effective organization
- (i) Job design
- (j) Impact of culture on organizational behaviour
- (k) Management of change
- (l) Management of conflict and stress
- (m) Organizational development
- (n) Organizational culture
- (o) Transactional analysis
- (p) Group behaviour, power and politics
- (q) Job design
- (r) Study of emotions

PART— I

Introduction

The field of the organizational behaviour does not depend upon deductions based on gut feelings but attempts to gather information regarding an issue in a scientific manner under controlled conditions. It uses information and interprets findings so that the behaviour of an individual and group can be canalized as desired. Large number of psychologists, social scientists and academicians have carried out research on various issues related to organization behaviour. Employee performance and job satisfaction are determinants of accomplishment of individual and organizational goals.

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Organizations have been set up to fulfill needs of the people. In today's competitive world, the organizations have to be growth-oriented. This is possible when productivity is ensured with respect to quantity of product to be produced with zero error quality. Employee absenteeism and turnover has a negative impact on productivity. Employee who absents frequently cannot contribute towards productivity and growth of the organization. In the same manner, employee turnover causes increased cost of production. Job satisfaction is a major factor to analyse performance of an individual towards his work. Satisfied workers are productive workers who contribute towards building an appropriate work culture in an organization. Organizations are composed of number of individuals working independently or collectively in teams, and number of such teams makes a department and number of such departments make an organization. It is a formal structure and all departments have to function in a coordinated manner to achieve the organizational objective.

It is therefore important for all employees to possess a positive attitude towards work. They need to function in congenial atmosphere and accomplish assigned goals. It is also important for managers to develop an appropriate work culture. Use of authority, delegation of certain powers to subordinates, division of labour, efficient communication, benchmarking, re-engineering, job re-design and empowerment are some of the important factors so that an organization can function as well-oiled machine. This is not only applicable to manufacturing organizations but also to service and social organizations.

UNIT— I

Study of human behaviour, being a part of general management, can be traced back to 4,000 B.C., when the Egyptian pyramids were built or even the dawn of mankind when people hunted in groups and protected their families or communities against hostile environmental forces. However for the purpose of our study we need to evaluate how OB developed during last two centuries.

EMERGENCE OF ORGANISATIONAL BEHAVIOUR

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The Greek philosopher Plato wrote about the essence of leadership. Aristotle addressed the topic of persuasive communication. The writings of 16th century Italian philosopher Niccolò Machiavelli laid the foundation for contemporary work on organizational power and politics. In 1776, Adam Smith advocated a new form of organizational structure based on the division of labour. One hundred years later, German sociologist Max Weber wrote about rational organizations and initiated discussion of charismatic leadership. Soon after, Frederick Winslow Taylor introduced the systematic use of goal setting and rewards to motivate employees. In the 1920s, Australian-born Harvard professor Elton Mayo and his colleagues conducted productivity studies at Western Electric's Hawthorne plant in the United States.

Though it traces its roots back to Max Weber and earlier, organizational studies is generally considered to have begun as an academic discipline with the advent of scientific management in the 1890s, with Taylorism representing the peak of this movement. Proponents of scientific management held that rationalizing the organization with precise sets of instructions and time-motion studies would lead to increased productivity. Studies of different compensation systems were carried out.

After the First World War, the focus of organizational studies shifted to analysis of how human factors and psychology affected organizations, a transformation propelled by the identification of the Hawthorne Effect. This Human Relations Movement focused on teams, motivation, and the actualization of the goals of individuals within organizations.

Prominent early scholars included Chester Barnard, Henri Fayol, Frederick Herzberg, Abraham Maslow, David McClelland, and Victor Vroom.

The Second World War further shifted the field, as the invention of large-scale logistics and operations research led to a renewed interest in rationalist approaches to the study of organizations. Interest grew in theory and methods native to the sciences, including systems theory, the study of organizations with a complexity theory perspective and complexity strategy. Influential work was done by Herbert Alexander Simon and James G. March and the so-called "Carnegie School" of organizational behavior.

In the 1960s and 1970s, the field was strongly influenced by social psychology and the emphasis in academic study was on quantitative research. An explosion of theorizing, much of it at Stanford University and Carnegie Mellon, produced Bounded Rationality, Informal Organization, Contingency Theory, Resource Dependence, Institutional Theory, and Organizational Ecology theories, among many others.

Starting in the 1980s, cultural explanations of organizations and change became an important part of study. Qualitative methods of study became more acceptable, informed by anthropology, psychology and sociology. A leading scholar was Karl Weick.

SPECIFIC CONTRIBUTIONS

Frederick Winslow Taylor

Frederick Winslow Taylor (1856-1915) was the first person who attempted to study human behavior at work using a systematic approach. Taylor studied human characteristics, social environment, task, physical environment, capacity, speed, durability, cost and their interaction with each other. His overall objective was to reduce and/or remove human variability. Taylor worked to achieve his goal of making work behaviors stable and predictable so that maximum output could be achieved. He relied strongly upon monetary incentive systems, believing that humans are primarily motivated by money. He faced some strong criticism, including being accused of telling managers to treat workers as machines without minds, but his work was very productive and laid many foundation principles for modern management studies. An enlightening book about the life of Pratik Bang and his studies is that by Kanigel (1997).

Elton Mayo

Elton Mayo, an Australian national, headed the Hawthorne Studies at Harvard. In his classic writing in 1931, *Human Problems of an Industrial Civilization*, he advised managers to deal with emotional needs of employees at work.

Mary Parker Follett

Mary Parker Follett was a pioneer management consultant in the industrial world. As a writer, she provided analyses on workers as having complex combinations of attitude, beliefs, and needs. She told managers to motivate employees on their job performance, a "pull" rather than a "push" strategy.

Douglas McGregor

Douglas McGregor proposed two theories/assumptions, which are very nearly the opposite of each other, about human nature based on his experience as a management consultant. His first theory was "Theory X", which is pessimistic and negative; and according to McGregor it is how managers traditionally perceive their workers. Then, in order to help managers replace that theory/assumption, he gave "Theory Y" which takes a more modern and positive approach. He believed that managers could achieve more if they start perceiving their employees as self-energized, committed, responsible and creative beings. By means of his Theory Y, he in fact challenged the traditional theorists to adopt a developmental

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approach to their employees. He also wrote a book, *The Human Side of Enterprise*, in 1960; this book has become a foundation for the modern view of employees at work.

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CURRENT STATE OF THE FIELD

Organizational behaviour is currently a growing field. Organizational studies departments generally form part of business schools, although many universities also have industrial psychology and industrial economics programs.

The field is highly influential in the business world with practitioners like Peter Drucker and Peter Senge, who turned the academic research into business practices. Organizational behaviour is becoming more important in the global economy as people with diverse backgrounds and cultural values have to work together effectively and efficiently. It is also under increasing criticism as a field for its ethnocentric and pro-capitalist assumptions.

During the last 20 years organizational behavior study and practice has developed and expanded through creating integrations with other domains:

- Anthropology became an interesting prism to understanding firms as communities, by introducing concepts like Organizational culture, 'organizational rituals' and 'symbolic acts' enabling new ways to understand organizations as communities.
- Leadership Understanding: the crucial role of leadership at various level of an organization in the process of change management.
- Ethics and their importance as pillars of any vision and one of the most important driving forces in an organization.

CONCEPTS

"Organizational behaviour is a field of study that investigates the impact that individuals, groups and organizational structure have on behaviour within the organization, for the purpose of applying such knowledge towards improving an organizational effectiveness". The above definition has three main elements; first organizational behaviour is an investigative study of individuals and groups, second, the impact of organizational structure on human behaviour and the third, the application of knowledge to achieve organizational effectiveness. These factors are interactive in nature and the impact of such behaviour is applied to various systems so that the goals are achieved. The nature of study of organizational behaviour is investigative to establish cause and effect relationship.

OB involves integration of studies undertaken relating to behavioural sciences like psychology, sociology, anthropology, economics, social psychology and political science. Therefore, organizational behaviour is a comprehensive field of study in which individual, group and organizational structure is studied in relation to organizational growth and organizational culture, in an environment

where impact of modern technology is great. The aim of the study is to ensure that the human behaviour contributes towards growth of the organization and greater efficiency is achieved.

Organizational behaviour can be defined as – “the study and application of knowledge about human behaviour related to other elements of an organization such as structure, technology and social systems (LM Prasad). Stephen P Robins defines “Organizational behaviour as a systematic study of the actions and attitudes that people exhibit within organizations.” It has been observed that we generally form our opinion based on the symptoms of an issue and do not really go to the root cause of the happening. Science of organizational behaviour is applied in nature. Disciplines like psychology, anthropology and political science have contributed in terms of various studies and theories to the field of organizational behaviour. A leader should be able to communicate with his subordinate and keep them in picture as to the happenings in the organization.

People promote organizational culture for mutual benefit. Politics is often used to create conflict with the aim of enlarging self-power base to the detrimental of organizational growth. Politics, in Indian context has made inroads based on religion, caste system in the decision making process which has led to formation of informal groups in the organization that often exploit the organization for fulfillment of personal goals at the cost of organizational goals. Conflict and manipulating power bases need to be handled in an appropriate manner to modify human behaviour and stimulate various individuals towards achieving higher productivity. Power dynamics plays a significant role in organization situations in different environment.

NATURE AND CHARACTERISTICS

Organisation is a place where two or more people work together in a structured way to achieve a specific goal or set of goals. Goals are fundamental elements of organisations. According to Gary Johns, organisations are social interventions for accomplishing goals through group efforts. Various environmental forces influence organisations. There are two types of environmental forces: direct and indirect. Some of the main direct forces are: customers, suppliers, competitors, labour market, and regulatory agencies. Some of the main indirect forces are: economic, technological, socio cultural, political, and international. Behaviour is anything that the human does. Behaviour is response to stimulation that can be observed, thus it is any response or reaction of an individual. The basic unit of behaviour is activity. According to Luthans, in understanding the variable it is extremely important to separate the actual behaviour events from the outcomes of the events. Specific observable behavioural events and their patterns provide useful data in order to analyze the interaction, which precedes the behaviour and the consequences that follow the behaviour.

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Running a large company, or even a small one, is no easy task. The field of Organisational Behaviour provides many helpful insights into understanding the complexities of people's behaviour on the job. Organisational Behaviour is the study and application of knowledge about how people act within organisations. The key elements in an organisation are: people, structure, technology, and external environment in which the organisation operates. When people join together in an organisation to accomplish an objective, some kind of structure is required. People also use technology to get the job done. So there is an interaction of people, structure, and technology. In addition, these elements are influenced by the external environment, and they influence it.

According to Keith Davis, Organisational Behaviour is an academic discipline concerned with understanding and describing human behaviour in an organisational environment. It seeks to shed light on the whole complex human factor in organisations by identifying causes and effects of that behaviour. According to Joe Kelly, Organisational Behaviour is the systematic study of the nature of organisations: how they begin, grow, and develop, and their effect on individual members, constituent groups, other organisations, and large institutions. According to Luthans, Organisational Behaviour is directly concerned with the understanding, prediction, and control of human behaviour in organisations. According to Robbins, Organisational Behaviour is a field of study that investigates the impact that individuals, groups, and structure have on behaviour within organisations for the purpose of applying such knowledge towards improving an organisation's effectiveness. According to Baron and Greenberg, Organisational Behaviour is the field that seeks knowledge of behaviour in organisational settings by systematically studying individual, group, and organisational processes.

On the basis of definitions stated and various other definitions, we can draw following conclusions related to nature and scope of Organisational Behaviour:

- **Interdisciplinary Approach:** Organisational Behaviour integrates knowledge from various relevant disciplines. This issue will be clear to you after reading the section on genesis of Organisational Behaviour in this unit.
- **An Applied Science:** Organisational Behaviour is oriented towards understanding the forces that affect behaviour so that their affects may be predicted and guided towards effective functioning of organisation. This issue will be clearer to you after reading the section on goals of Organisational Behaviour in this section.
- **Behavioural Approach to Management:** Organisational Behaviour is directly connected with the human side of management, but it is not the

whole of management. Organisational Behaviour is related with the conceptual and human dimensions of management.

- **Concern with Environment:** Organisational Behaviour is concerned with issues like compatibility with environment e.g. person-culture fit, cross-cultural management etc.
- **Scientific Method:** Organisational Behaviour follows the scientific method and makes use of logical theory in its investigation and in answering the research questions. *It is empirical, interpretive, critical and creative science.*
- **Contingency Approach:** There are very few absolutes in Organisational Behaviour. The approach is directed towards developing managerial actions that are most appropriate for a specific situation.
- **A Systems Approach:** Organisational Behaviour is a systematic vision as it takes into account all the variables affecting organisational functioning.
- **Value Centred:** Organisational Behaviour is a value-centred science.
- **Utilizes two Kinds of Logic:** It utilizes both objective and subjective logic. Objectivity is concerned with reaching a fact through empirical analyses. Subjectivity is concerned with deciding about an issue through intuition, common sense, experiences, gut feeling, metaphors, learning from stories and cases, persuasive literature etc.

Organisational Behaviour focuses on five levels of analysis. They are :

- Individual behaviour
- Inter-personal behaviour
- Group behaviour and group dynamics
- Organisational issues
- Environmental issues.

IMPORTANCE

A study of OB is beneficial in many ways. Some of the benefits of studying OB are following:

- It helps an individual understand oneself. *It is a systematic study of the actions and attitudes that people exhibit within organisation.*
- It helps managers in getting the work done through effective ways.
- It emphasizes the interaction and relations between the organisation and individual behaviour, thus making an attempt to fulfil psychological contract between individuals and the organisation.
- It helps to develop work-related behaviour and job satisfaction.
- It helps in building motivating climate.
- It helps in building cordial industrial relations.

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- It helps in the field of marketing through deeper insight of consumer behaviour, and managing and motivating field employees.
- It helps in predicting behaviour and applying it in some meaningful way to make organisations more effective.
- It implies effective management of human resources.
- It helps to improve functional behaviour leading to productivity, effectiveness, efficiency, organisational citizenship, and also helps to reduce dysfunctional behaviour at work place like absenteeism, employee turnover, dissatisfaction, tardiness etc.

Study of OB can be said to be most important contributor towards building managerial skills. After studying this whole subject you would realize that contributions of OB towards building the following skills and values are unparalleled:

- Self development
- Personality development
- Development of human values and ethical perspective
- Managing stress and achieving mental hygiene
- Creative use of emotions
- Creating learning individual and learning organisation
- Managing creativity and innovation
- Motivation and morale
- Job satisfaction
- Effective communication
- Interpersonal effectiveness including persuasion, coaching, counselling, mentoring, goal setting, decision making, politicking, negotiation, conflict handling
- Team building
- Leadership
- Creating effective organisational culture

GOALS OF ORGANISATIONAL BEHAVIOUR

Field of OB faces a special challenge. In the areas of physical science, accounting, mathematics etc. if you do not know a concept, you would not claim that you know it. However in the field of human behaviour, though we may not know a fact, yet through our accumulated knowledge it may appear that we know it and, in this long drawn conclusion you may be far away from the fact. For example it appears that high job satisfaction would necessarily lead to high organisational commitment but most of the studies have stood against this apparently obvious hypothesis. One of the objectives of a course in OB is to replace

popularly held notions, often accepted without question, with science-based conclusions.

Since 1950s till date hundreds of thousands of research studies have been done on various aspects of OB, and several hundreds of research studies still continue to investigate facts. OB attempts to test theories through scientific research process. Once a theory has been formulated, predictions derived from it are tested through direct research. If these are confirmed, confidence in the theories is increased. If they are disconfirmed, confidence is diminished. At this point, the theory is either modified and retested, or completely rejected. Theory building and empirical research co-exist and reinforce each other. A good theory has to be of practical use and empirical validation would confirm this. Likewise, a good empirical research should have its foundation in a viable theory and should add to the body of existing knowledge.

There are mainly three goals of OB:

- **Understanding behaviour**
 - Which variables are important?
 - How strong are they?
 - How do they interrelate?
- **Predicting behaviour**
 - What patterns of behaviour are present?
 - What is the cause effect relationship?
- **Controlling behaviour**
 - What solutions are possible?
 - Which variable can be influenced?
 - How can they be influenced?

UNIT – II

The organization's base rests on management's philosophy, values, vision and goals. This in turn drives the organizational culture which is composed of the formal organization, informal organization, and the social environment. The culture determines the type of leadership, communication, and group dynamics within the organization. The workers perceive this as the quality of work life which directs their degree of motivation. The final outcome are performance, individual satisfaction, and personal growth and development. All these elements combine to build the model or framework that the organization operates from.

MODELS OF ORGANIZATIONAL BEHAVIOR

Organizational behaviour is a study and application of managerial skills and knowledge to people in the organization to investigate individual and group behaviour. Various concepts and models in the field of organizational behaviour

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attempt to identify, not only the human behaviour but also modify their attitude and promote skills so that they can act more effectively. This is done scientifically; therefore, organizational behaviour field is a scientific discipline. The knowledge and models are practically applied to workers, groups and organizational structure that provide tools for improved behaviour and dynamics of relationship.

The field of organizational behaviour also provides various systems and models for international relationship that are applied to organizations. Leaders must look for indicators (effects) of individual behaviour and of groups in any organization. Indicators have a root cause beneath. As a leader, it is that symptom, which must be evaluated, and cause of human behaviour established so that if the behaviour is good, the manager can establish the norms of behaviour. If the behaviour is not conducive to achieve the organisational objective then suitable alternative model can be applied to channelize individual behaviour towards an appropriate organizational value system and thus individual behaviour modified. An organization has three basic elements, namely, people, structure, and technology. An organization must have suitable organizational structure, with appropriate number of tier and reporting system properly explained.

Principle of unity of command, delegation of authority and responsibility, formulation of objectives and its allotment to various groups is very important so that workers achieve a required level of job satisfaction. They must be trained to handle sophisticated machines and equipment. It is the people, their value system, and faith in the leadership that make an organization. Leader must be able to describe, understand, predict and control individual behaviour in the organization. This is explained in the succeeding paragraphs.

- (a) **Describe:** Study of organizational behaviour is based on scientific methods, which have been applied on human beings. It is a science, that analyses as to how people behave in different situations in the organization. A manager should be able describe the behaviour of each of the individuals under his command, identify attitude, and be able to pinpoint his behaviour so that the situation in the organization is under control.
- (b) **Understand:** Leaders must understand human behaviour as to why people behave in particular manner and try to identify reasons so that corrective actions can be taken.
- (c) **Predict:** By frequent closer interaction, a leader is in a position to identify the nature of workers. Some are more productive while the others are tardy and disruptive. In such situation, a leader should be able to handle each individual differently so that his or her actions can be channalized to higher productivity.
- (d) **Control:** Managers in the organizations should train their subordinates continuously; aim being development of skills, promotion of productivity and improvement of individual behaviour. It is a continuous process on

the part of manager. He must lay down control measures so that the energy of workers is diverted towards organizational objectives. Communication should be used to ensure that the behaviour of individual is controlled. Environment has a great impact on human behaviour. Appropriate internal environment would help organizations to built favourable work environment that will help individuals and groups within organizations to work effectively towards higher productivity.

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There are four major models or frameworks that organizations operate out of:

- **Autocratic** - The basis of this model is power with a managerial orientation of authority. The employees in turn are oriented towards obedience and dependence on the boss. The employee need that is met is subsistence. The performance result is minimal
- **Custodial** - The basis of this model is economic resources with a managerial orientation of money. The employees in turn are oriented towards security and benefits and dependence on the organization. The employee need that is met is security. The performance result is passive cooperation.
- **Supportive** - The basis of this model is leadership with a managerial orientation of support. The employees in turn are oriented towards job performance and participation. The employee need that is met is status and recognition. The performance result is awakened drives.
- **Collegial** - The basis of this model is partnership with a managerial orientation of teamwork. The employees in turn are oriented towards responsible behavior and self-discipline. The employee need that is met is self-actualization. The performance result is moderate enthusiasm.

Although there are four separate models, almost no organization operates exclusively in one. There will usually be a predominate one, with one or more areas over-lapping in the other models.

The first model, autocratic, has its roots in the industrial revolution. The managers of this type of organization operate out of McGregor's Theory X. The next three models begin to build on McGregor's Theory Y. They have each evolved over a period of time and there is no one "best" model. The collegial model should not be thought as the last or best model, but the beginning of a new model or paradigm.

COMPONENTS OF ORGANIZATIONAL MODEL

People are the main component of any organization that has to be managed. Every individual has a personal goal to be achieved. Organizations must identify the need spectrum of individuals and take suitable steps for its fulfillment to

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enable them to perform effectively so that they complete their allotted task in time. Relationship between the workers, with subordinates and superiors should be established based on full understanding and complete faith based on mutual trust so that it is easy to communicate and understand each other's views. Work teams and Groups play a vital role in the organization. Individual may have to keep his personal interest aside if it conflicts with team or group goals. It is the team goals, accomplishment of which contribute towards achieving organizational goals. Apart from managing internal workforce, it is also important to manage customers who are the end persons using organization's products or services. Utmost interest of stakeholders, government, employees, social groups and non-governmental organizations (NGOs) must be kept in mind as they play a dominant role in the society. Apart from the above, adequate consideration should also be given to competitors, regulatory agencies, labour force, suppliers and resource persons.

Structure

There are two types of organizations, formal and informal. Informal organizations do not have a specified structure. Formal organizations are build based upon the objective set for it. Organizational structure in such organization is hierarchical in nature, with people at each level having their own objectives, which contributes towards fulfillment of over all organizational objectives. In such organisation people at lower levels report to higher level managers. The tier system has the principle of unity of command inbuilt in it. The organization structure may depend upon the size, number of products/services produced, skill and experience of the employees, managerial staff and geographical location of the organization. An organization may have several levels and pyramid like organizational structure or flat structure. The efficiency of the organization will depend upon the free flow of the information, efficient communication system prevailing in the organization, well-defined authority and responsibility supported by detailed policies, rules and regulations.

The organization must have well laid out systems, which are understood by workers, supervisors and managers. The leader must keep open mind while dealing with subordinates and exercise full control over various systems, levels and ensure planned productivity and achieve high level of job satisfaction.

Technology

Managing technology is an important job of any management. It is an important element of any unit. Selection of technology, procurement, installation, operation and maintenance is important and no compromise should be made in procuring latest or advanced technology. Various systems and sub-systems should support technology that exists in an organization. Based on the technology, an organization should formulate job structure and resultant procurement of human resource so that they are complimentary to each other.

Adequate attention is also be paid to service industry. For example an appropriate drill, procedures are installed in hospital industry to ensure that the patients' record is maintained properly. On line operations of all systems relating to admission record, past treatment, drugs, availability of beds, schedule of operations maintained so that the level of patients satisfaction is raised. In minimum number of days, maximum numbers of patients should be treated. Various processes required to regulate these functions form the important part of service industry.

Jobs

Job is an assignment assigned to an individual. It encompasses various tasks within it. For example, Personnel manager wants to fill up twelve vacancies in production department within three months. Job will have various tasks inbuilt in it like designing of job specification, selection of media, advertising vacancies, scheduling of selection and recruiting process. Manager, therefore have to manage various tasks to accomplish a particular job. This may form a part of managerial functions. Adequate delegation, supervision, application of various control techniques makes the job simpler for the manager. Introduction of computers have made managerial functions simpler, as required information is available for decision making.

Processes

Management of processes and its inter-dependence is very crucial to high productivity and higher job satisfaction. What is important for a manager is to ensure high morale of the work force. To ensure this, he must identify various managerial dictums. Select appropriate subordinates to carry out a job based on aptitude, personality traits, mental build up and attitude. He should also involve himself and lead subordinates by personal example. In defence services, it is the quality of leadership, that motivates troops to achieve near impossible task where every thing appears to be going wrong. Various role models assist leaders in identifying as to which process, method or approach would be suitable to mould subordinates in suitable frame that may be required by any organization. Nothing motivates workers better if you give them their entitlements in full and train them to take up higher jobs. By doing so, manager must develop and build an organizational culture that will bind employees to a common cultural bond. During day-to-day functions, managers must be transparent and maintain a high degree of value system and display ethical behaviour. There are no short cuts to this and will pay rich dividends in times to come.

External Environment

What we have so far discussed is various components of an organization that should be managed properly. External environment also plays an important role in managing the points discussed above. When we talk about managing

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people in the organization, what we have to study and manage is the influence of culture and its impact on the individual. A manager should examine as to how he is going to cope up with the changes. Study of external environment is very wide and encompasses economic, cultural, social, government rules and regulations, legal aspects, political climate, demographics and its impact. If one scans the external environment that is prevailing in Indian context, one will find that individuals are racing to catch up the upper class as it relates to standards of living, material possession, higher education, attempt to copy western culture, food habits, dressing pattern and the like. Beauty parlors, pubs and cyber cafes around each corner are an ample evidence of the impact of external environment. This trend has an impact on what products or services are on priority in the society and indicates the behaviour of an individual. If the above factors are evaluated appropriately, a manager will be able to examine and predict human behaviour in the organization. It is therefore important to evaluate market situation, competitors, and availability of raw material, technology, availability of skilled, semi skilled and non-skilled personnel. In addition, evaluate prevailing culture and how individuals are likely to respond to the call of the organization. Some factors like government rules, and political stability keep changing, the organizations must cater for such contingencies. Manager must therefore keep in mind the internal and external factors and make the best amalgam and work to achieve organizational effectiveness.

BEHAVIOURIST

Behaviourists explain personality in terms of the effects external stimuli have on behavior. It was a radical shift away from Freudian philosophy. This school of thought was developed by B. F. Skinner who put forth a model which emphasized the mutual interaction of the person or "the organism" with its environment. Skinner believed children do bad things because the behavior obtains attention that serves as a reinforcer. For example: a child cries because the child's crying in the past has led to attention. These are the response, and consequences. The response is the child crying, and the attention that child gets is the reinforcing consequence. According to this theory, people's behavior is formed by processes such as operant conditioning. Skinner put forward a "three term contingency model" which helped promote analysis of behavior based on the "Stimulus - Response - Consequence Model" in which the critical question is: "Under which circumstances or antecedent 'stimuli' does the organism engage in a particular behavior or 'response', which in turn produces a particular 'consequence'?"

PERSPECTIVES

As individuals do not exist in isolation, organisations also do not exist in isolation. There is constant flux of environmental impact on organisation which

in turn stimulate behaviour pattern within the organisation. The boundaries of organisations are becoming more transparent rather more fragile. If an organisation does not learn to muster flexibility, it would not perhaps exist for long. In order to integrate it well with the environmental changes, organisations are required to focus on many emerging issues. Some of them are:

- Continuous improvement of people and process.
- Integrating human factor with grand objectives of the organisation.
- More emphasis on quality of products, services, and process.
- Restructuring to suit requirements of service organisations, task force teams, as well as, in case of rightsizing and acquisition and merger.
- Managing diversity.
- Product innovation.
- Managing creativity and innovations.
- Cross-cultural management.
- Managing multinationals.

For combating the challenging situation, OB comes forward with strategies related to people interventions.

Individual Perspective

OB deals with individual behaviours in organisations, apart from dealing with group behaviours and behaviours in organisations. It should be clear to you now that why we study individual perspective in OB, and what are those issues dealing with individual perspective of OB ?

An organisation is as good as its people. For organisations to grow continuously, there is need for keeping its individuals growing through following measures:

- **Continuous Learning:** There are many ways through which an individual learns. Learning is any permanent change in behaviour, or behaviour potential, resulting from experience. In order to be effective organisations need to promote that behaviour, which are functional and need to discourage that behaviour, which are detrimental to effective organisation. The ways learning take place and the methods through which learning can be converted to desirable behaviour are the subject matters of Unit IV.
- **Creating Right Perception:** Perception is the process through which we select, organise, and interpret input from our sensory receptors. Your five senses (eyes through sight, ears through audition, nose through smell, mouth or tongue through taste, and skin through touch) are continuously gathering information from your surroundings. Now, it is your perception, which gives meaning to various combinations of information those you

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gather. The field of OB helps us to create right perception, which is prerequisite for working effectively with people.

- ***Building Positive Attitudes and Values:*** Attitudes are lasting evaluations of people, groups, objects, or issues- in fact, of virtually any aspect of the social or physical world. Positive attitudes are important ingredient of effective relationship. Values are the basic convictions that a specific mode of conduct or end-state of existence is personally or socially preferable to an opposite or adverse mode of conduct or end-state of existence. Values are at the base of attitudes and behaviour, hence it is important to learn values in OB.
- ***Having Personality and Emotions Compatible at Work Place:*** Personality is an individual's unique and relatively stable patterns of behaviour, thoughts, and feelings. There is need in organisations to create a right combination of person and job, so that full potential of an individual can be utilized. According to the requirements of the work, personality can be also developed. Emotions are reactions consisting of subjective cognitive states, physiological reactions, and expressive behaviours. Cognition is the mental activities associated with thought, knowledge, and memory. An understanding about emotions help for self-development of individuals.
- ***Maintaining Stress-free Individuals and Environment:*** Stress is 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. With growing competition and survival, and excellence becoming tougher, stress is the managerial discomfort of modern era. Unit 10 shall help you to know the causes and remedies of stress.
- ***Keeping Individuals and Teams Motivated and providing Job Satisfaction:*** Motivation can be described as perhaps the most important intangible resource of the organisation. Motivation is an inferred internal process that activates, guides, and maintains behaviour over time. Job satisfaction is a general attitude towards one's job. It also depends on the difference between the amount of rewards workers receive and the amount they believe they should receive.

Small and Large Group Perspective

In an organisation, an individual does not exist alone. Plurality of people is the essential ingredient of an organisation. It should be clear to you now that why we study group perspective in OB, and what are those issues dealing with group perspective of OB. An organisation makes continuous effort to create synergy in the group or team, in order to make the team more productive and more effective. Some of the important measures those OB suggests at group level interventions are:

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- **Group Formation and Structure:** Group explains the situation where two or more individuals are interacting and interdependent, who have come together to achieve particular objectives. It deals with issues like, how groups are formed, how groups develop, when groups become more effective, what are the undercurrents of group dynamics, and how group decisions are taken.
- **Communication:** Communication deals with transference and understanding of meaning. Organisations make effort through formal structure as well as through informal interaction to establish sound communication system within and outside organisation.
- **Conflict Management:** Conflict is a process 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. Conflict may arise at various levels, like within the person (intrapersonal level), between two persons (interpersonal level), intradepartmental level, interdepartmental level, interorganisational level etc. Conflict is not necessarily bad, as it promotes difference of opinions, which may help for improving quality of decision. Skillful managers make creative use of conflict by turning challenges to opportunities.
- **Team Building and Leadership:** These two are highly sought after issues of OB. Team building leads to high interaction among team members to increase trust and openness. For team building effective leadership styles are required. Leadership is the ability to influence a group toward the achievement of goals.
- **Power and Politics:** Some amount of pushes and pulls are inevitable where more than two persons exist. Individual tends to exercise power to influence behaviour of others, so that others act in accordance with the wishes of the individual. Political behaviour deals with use of informal networking to make an attempt to influence others. When others are influenced for narrow gains, politics is dysfunctional, when influence is used for achieving overall goals in larger interest, political behaviour is functional, and also desirable for organisation.

Organisational Perspective

Organisational perspective of OB deals with larger issues of the organisations. Such issues influence an organisation in broader ways. Organisational perspective of OB deal with following issues:

- **Organisational Culture and Climate:** Organisational culture explains a common perception held by the organisation's members. It depicts a system of shared meaning. A sound culture leads to conducive organisational climate. For long term effectiveness organisations need to investigate into, as well as need to take measures for improving organisational climate and culture.

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- **Organisational Change:** This is an age of change. It is said that only thing that is permanent is change. In earlier decades there used to be longer duration of stability with off and on shorter duration of change in the organisations. Now the mantra itself has changed. We are passing through an age, where there is longer duration of change interventions in organisations with off and on shorter duration of stability.
- **Organisational Development:** Organisational Development explains collection of planned-change interventions, built on humanistic-democratic values, that seek to improve organisational effectiveness and employee well being. Such interventions may be applied at individual level, group level as well as organisational level.

SOCIAL COGNITIVE FRAMEWORK

Social cognitive Framework is a learning theory based on the ideas that people learn by watching what others do and that human thought processes are central to understanding personality. While social cognitivists agree that there is a fair amount of influence on development generated by learned behavior displayed in the environment in which one grows up, they believe that the individual person (and therefore cognition) is just as important in determining moral development.

People learn by observing others, with the environment, behavior, and cognition all as the chief factors in influencing development. These three factors are not static or independent; rather, they are all reciprocal. For example, each behavior witnessed can change a person's way of thinking (cognition). Similarly, the environment one is raised in may influence later behaviors, just as a father's mindset (also cognition) will determine the environment in which his children are raised.

MORALITY

Social cognitive model emphasizes a large difference between an individual's ability to be morally competent and morally performing. Moral competence involves having the ability to perform a moral behavior, whereas moral performance indicates actually following one's idea of moral behavior in a specific situation. Moral competencies include:

- what an individual is capable of
- what an individual knows
- what an individual's skills are
- an individual's awareness of moral rules and regulations
- an individual's cognitive ability to construct behaviors

As far as an individual's development is concerned, moral competence is the growth of cognitive-sensory processes; simply put, being aware of what is

considered right and wrong. By comparison, moral performance is influenced by the possible rewards and incentives to act a certain way. For example, a person's moral competence might tell them that stealing is wrong and frowned upon by society; however, if the reward for stealing is a substantial sum, their moral performance might indicate a different line of thought. Therein lies the core of social cognitive theory.

NOTES**OBSERVATION OF MODELS**

Social cognitive theory revolves around the process of knowledge acquisition or learning directly correlated to the observation of models. The models can be those of an interpersonal imitation or media sources. *Effective modeling teaches general rules and strategies for dealing with different situations.*

As a result of the observations the indiorcement explains that the observer does not expect actual rewards or punishments but anticipates similar outcomes to his/her imitated behaviors and allows for these effects to work. This portion of social cognitive theory relies heavily on outcome expectancies. These expectancies are heavily influenced by the environment that the observer grows up in; for example, the expected consequences for a DUI in the United States of America are a fine, with possible jail time, whereas the same charge in another county might lead to the infliction of the death penalty.

In education, teachers play the role as model in a child's learning acquisition. Teachers model both material objectives and underlying curriculum of virtuous living. Teachers should also be dedicated to the building of high self-efficacy levels in their students by recognizing their accomplishments.

IDENTIFICATION AND SELF-EFFICACY

Albert Bandura also stressed that the easiest way to display moral development would be via the consideration of multiple factors, be they social, cognitive, or environmental. *The relationship between the aforementioned three factors provides even more insight into the complex concept that is morality.* Further development in social cognitive theory posits that learning will most likely occur if there is a close identification between the observer and the model and if the observer also has a good deal of self-efficacy. Self-efficacy beliefs function as an important set of proximal determinants of human motivation, affect, and action [which] operate on action through motivational, cognitive, and affective intervening processes.

Identification allows the observer to feel a one-to-one connection with the individual being imitated and will be more likely to achieve those imitations if the observer feels that they have the ability to follow through with the imitated action.

RELATIONSHIP WITH OTHER FIELDS**NOTES**

Behavioural Science or Organisational Behaviour is not an elemental subject, rather than it is like a compound subject, with integrated weaving of various disciplines. In modern terminology, Organisational Behaviour is an interdisciplinary approach to the study of human behaviour in organisations. The study of behaviour can be viewed in terms of various main disciplines. All disciplines have made an important contribution to the field of Organisational Behaviour. These disciplines are:

Psychology: Psychology is an applied science, which attempts to explain human behaviour in a particular situation and predicts actions of individuals. Psychologists have been able to modify individual behaviour largely with the help of various studies. It has contributed towards various theories on learning, motivation, personality, training and development, theories on individual decision making, leadership, job satisfaction, performance appraisal, attitude, ego state, job design, work stress and conflict management. Studies of these theories can improve personal skills, bring change in attitude and develop positive approach to organizational systems. Various psychological tests are conducted in the organizations for selection of employees, measuring personality attributes and aptitude. Various other dimensions of human personality are also measured. These instruments are scientific in nature and have been finalized after a great deal of research. Field of psychology continues to explore new areas applicable to the field of organizational behaviour. Contribution of psychology has enriched the organizational behaviour field.

Sociology: Science of Sociology studies the impact of culture on group behaviour and has contributed to a large extent to the field of group-dynamics, roles that individual plays in the organization, communication, norms, status, power, conflict management, formal organization theory, group processes and group decision-making.

Political science: Political science has contributed to the field of Organizational behaviour. Stability of government at national level is one major factor for promotion of international business, financial investments, expansion and employment. Various government rules and regulations play a very decisive role in growth of the organization. All organizations have to abide by the rules of the government of the day.

Social psychology: Working organizations are formal assembly of people who are assigned specific jobs and play a vital role in formulating human behaviour. It is a subject where concept of psychology and sociology are blend to achieve better human behaviour in organization. The field has contributed to manage change,

group decision-making, communication and ability of people in the organization, to maintain social norms.

Anthropology: It is a field of study relating to human activities in various cultural and environmental frameworks. It understands difference in behaviour based on value system of different cultures of various countries. The study is more relevant to organizational behaviour today due to globalization, mergers and acquisitions of various industries. The advent of the 21st century has created a situation wherein cross-cultural people will have to work in one particular industry. Managers will have to deal with individuals and groups belonging to different ethnic cultures and exercise adequate control or even channelise behaviour in the desired direction by appropriately manipulating various cultural factors. Organization behaviour has used the studies on comparative attitudes and cross-cultural transactions. Environment studies conducted by the field of anthropology aims to understand organizational human behaviour so that acquisitions and mergers are smooth. Organizations are bound by its culture that is formed by human beings.

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PART— II

UNIT— I

(PERCEPTION)

Perception is the process of attaining awareness or understanding of sensory information. The word "perception" comes from the Latin words perceptio, percipio, and means "receiving, collecting, action of taking possession, apprehension with the mind or "senses."

NATURE AND CONCEPT

Perception is one of the oldest fields in psychology. The oldest quantitative law in psychology is the Weber-Fechner law, which quantifies the relationship between the intensity of physical stimuli and their perceptual effects. The study of perception gave rise to the Gestalt school of psychology, with its emphasis on holistic approach.

What one perceives is a result of interplays between past experiences, including one's culture, and the interpretation of the perceived. If the percept does not have support in any of these perceptual bases it is unlikely to rise above perceptual threshold.

Two types of consciousness are considerable regarding perception: phenomenal (any occurrence that is observable and physical) and psychological. The difference everybody can demonstrate to him- or herself is by the simple

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opening and closing of his or her eyes: phenomenal consciousness is thought, on average, to be predominately absent without sight. Through the full or rich sensations present in sight, nothing by comparison is present while the eyes are closed. Using this precept, it is understood that, in the vast majority of cases, logical solutions are reached through simple human sensation.

The analogy of Plato's Cave was coined to express these ideas.

Passive perception (conceived by René Descartes) can be surmised as the following sequence of events: surrounding input (senses) processing (brain) output (re-action). Although still supported by mainstream philosophers, psychologists and neurologists, this theory is nowadays losing momentum. The theory of active perception has emerged from extensive research of sensory illusions, most notably the works of Richard L. Gregory. This theory, which is increasingly gaining experimental support, can be surmised as dynamic relationship between "description" (in the brain) senses surrounding, all of which holds true to the linear concept of experience.

PROCESS AND IMPORTANCE

In the case of visual perception, some people can actually see the percept shift in their mind's eye. Others, who are not picture thinkers, may not necessarily perceive the 'shape-shifting' as their world changes. The 'esemplastic' nature has been shown by experiment: an ambiguous image has multiple interpretations on the perceptual level. The question, "Is the glass half empty or half full?" serves to demonstrate the way an object can be perceived in different ways.

Just as one object can give rise to multiple percepts, so an object may fail to give rise to any percept at all: if the percept has no grounding in a person's experience, the person may literally not perceive it.

The processes of perception routinely alter what humans see. When people view something with a preconceived concept about it, they tend to take those concepts and see them whether or not they are there. This problem stems from the fact that humans are unable to understand new information, without the inherent bias of their previous knowledge. A person's knowledge creates his or her reality as much as the truth, because the human mind can only contemplate that to which it has been exposed. When objects are viewed without understanding, the mind will try to reach for something that it already recognizes, in order to process what it is viewing. That which most closely relates to the unfamiliar from our past experiences, makes up what we see when we look at things that we don't comprehend.

This confusing ambiguity of perception is exploited in human technologies such as camouflage, and also in biological mimicry, for example by Peacock butterflies, whose wings bear eye markings that birds respond to as though they were the eyes of a dangerous predator. Perceptual ambiguity is not restricted to

vision. For example, recent touch perception research Robles-De-La-Torre & Hayward 2001 found that kinesthesia based haptic perception strongly relies on the forces experienced during touch.

Cognitive theories of perception assume there is a poverty of stimulus. This (with reference to perception) is the claim that sensations are, by themselves, unable to provide a unique description of the world. Sensations require 'enriching', which is the role of the mental model. A different type of theory is the perceptual ecology approach of James J. Gibson. Gibson rejected the assumption of a poverty of stimulus by rejecting the notion that perception is based in sensations. Instead, he investigated what information is actually presented to the perceptual systems. He and the psychologists who work within this paradigm detailed how the world could be specified to a mobile, exploring organism via the lawful projection of information about the world into energy arrays. Specification is a 1:1 mapping of some aspect of the world into a perceptual array; given such a mapping, no enrichment is required and perception is direct perception.

Preconceptions can influence how the world is perceived. For example, one classic psychological experiment showed slower reaction times and less accurate answers when a deck of playing cards reversed the color of the suit symbol for some cards (e.g. red spades and black hearts).

There is also evidence that the brain in some ways operates on a slight "delay", to allow nerve impulses from distant parts of the body to be integrated into simultaneous signals.

UNIT II

(ATTITUDE)

An attitude is a hypothetical construct that represents an individual's degree of like or dislike for an item. Attitudes are generally positive or negative views of a person, place, thing, or event— this is often referred to as the attitude object. People can also be conflicted or ambivalent toward an object, meaning that they simultaneously possess both positive and negative attitudes toward the item in question.

Attitude is one of Jung's 57 definitions in Chapter XI of Psychological Types. Jung's definition of attitude is a "readiness of the psyche to act or react in a certain way". Attitudes very often come in pairs, one conscious and the other unconscious. Within this broad definition Jung defines several attitudes.

The main (but not only) attitude dualities that Jung defines are the following.

- *Consciousness and the unconscious:* The "presence of two attitudes is extremely frequent, one conscious and the other unconscious. This means that consciousness has a constellation of contents different from that of the unconscious, a duality particularly evident in neurosis".

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- **Extraversion and introversion:** This pair is so elementary to Jung's theory of types that he labeled them the "attitude-types".
- **Rational and irrational attitudes:** "I conceive reason as an attitude".
- The rational attitude subdivides into the thinking and feeling psychological functions, each with its attitude.
- The irrational attitude subdivides into the sensing and intuition psychological functions, each with its attitude. "There is thus a typical thinking, feeling, sensation, and intuitive attitude".
- **Individual and social attitudes:** Many of the latter are "isms".

NATURE AND PROCESS

Attitudes are judgments. They develop on the ABC model (affect, behavior, and cognition). The affective response is an emotional response that expresses an individual's degree of preference for an entity. The behavioral intention is a verbal indication or typical behavioral tendency of an individual. The cognitive response is a cognitive evaluation of the entity that constitutes an individual's beliefs about the object. Most attitudes are the result of either direct experience or observational learning from the environment.

Unlike personality, attitudes are expected to change as a function of experience. Tesser (1993) has argued that hereditary variables may affect attitudes - but believes that they may do so indirectly. For example, if

- Consistency theories, what imply that we must be consistent in our beliefs and values. The most famous example of such a theory is Dissonance-reduction theory, associated with Leon Festinger, although there are others, such as the balance theory.
- Self-perception theory
- Persuasion
- Elaboration Likelihood Model.
- Social judgment theory
- Balance theory

ATTITUDE MEASUREMENT

Attitudes can be changed through persuasion. we should understand attitude change as a response to communication. He and his colleagues did experimental research into the factors that can affect the persuasiveness of a message:

1. **Target Characteristics:** These are characteristics that refer to the person who receives and processes a message. One such trait is intelligence - it seems that more intelligent people are less easily persuaded by one-sided messages. Another variable that has been studied in this category is self-esteem. Although it is sometimes thought that those higher in self-esteem

are less easily persuaded, there is some evidence that the relationship between self-esteem and persuasibility is actually curvilinear, with people of moderate self-esteem being more easily persuaded than both those of high and low self-esteem levels (Rhodes & Woods, 1992). The mind frame and mood of the target also plays a role in this process.

2. **Source Characteristics:** The major source characteristics are expertise, trustworthiness and interpersonal attraction or attractiveness. The credibility of a perceived message has been found to be a key variable here; if one reads a report about health and believes it came from a professional medical journal, one may be more easily persuaded than if one believes it is from a popular newspaper. Some psychologists have debated whether this is a long-lasting effect and Hovland and Weiss (1951) found the effect of telling people that a message came from a credible source disappeared after several weeks (the so-called "sleeper effect"). Whether there is a sleeper effect is controversial. Perceived wisdom is that if people are informed of the source of a message before hearing it, there is less likelihood of a sleeper effect than if they are told a message and then told its source.

Message Characteristics: The nature of the message plays a role in persuasion. Sometimes presenting both sides of a story is useful to help change attitudes.

Cognitive Routes: A message can appeal to an individual's cognitive evaluation to help change an attitude. In the central route to persuasion the individual is presented with the data and motivated to evaluate the data and arrive at an attitude changing conclusion. In the peripheral route to attitude change, the individual is encouraged to not look at the content but at the source. This is commonly seen in modern advertisements that feature celebrities. In some cases, physician, doctors or experts are used. In other cases film stars are used for their attractiveness.

EMOTION AND ATTITUDE CHANGE

Emotion is a common component in persuasion, social influence, and attitude change. Much of attitude research emphasized the importance of affective or emotion components. Emotion works hand-in-hand with the cognitive process, or the way we think, about an issue or situation. Emotional appeals are commonly found in advertising, health campaigns and political messages. Recent examples include no-smoking health campaigns and political campaign advertising emphasizing the fear of terrorism. Attitudes and attitude objects are functions of cognitive, affective and conative components. Attitudes are part of the brain's associative networks, the spider-like structures residing in long term memory that consist of affective and cognitive nodes.

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By activating an affective or emotion node, attitude change may be possible, though affective and cognitive components tend to be intertwined. In primarily affective networks, it is more difficult to produce cognitive counterarguments in the resistance to persuasion and attitude change.

Affective forecasting, otherwise known as intuition or the prediction of emotion, also impacts attitude change. Research suggests that predicting emotions is an important component of decision making, in addition to the cognitive processes. How we feel about an outcome may override purely cognitive rationales.

In terms of research methodology, the challenge for researchers is measuring emotion and subsequent impacts on attitude. Since we cannot see into the brain, various models and measurement tools have been constructed to obtain emotion and attitude information. Measures may include the use of physiological cues like facial expressions, vocal changes, and other body rate measures. For instance, fear is associated with raised eyebrows, increased heart rate and increase body tension (Dillard, 1994). Other methods include concept or network mapping, and using primes or word cues.

COMPONENTS OF EMOTION APPEALS

Any discrete emotion can be used in a persuasive appeal; this may include jealousy, disgust, indignation, fear, and anger. Fear is one of the most studied emotional appeals in communication and social influence research.

Important consequences of fear appeals and other emotion appeals include the possibility of reactance which may lead to either message rejections or source rejection and the absence of attitude change. As the EPPM suggests, there is an optimal emotion level in motivating attitude change. If there is not enough motivation, an attitude will not change; if the emotional appeal is overdone, the motivation can be paralyzed thereby preventing attitude change.

Emotions perceived as negative or containing threat are often studied more than perceived positive emotions like humor. Though the inner-workings of humor are not agreed upon, humor appeals may work by creating incongruities in the mind. Recent research has looked at the impact of humor on the processing of political messages. While evidence is inconclusive, there appears to be potential for targeted attitude change in receivers with low political message involvement.

Important factors that influence the impact of emotion appeals include self efficacy, attitude accessibility, issue involvement, and message/source features. Self efficacy is a perception of one's own human agency; in other words, it is the perception of our own ability to deal with a situation. It is an important variable in emotion appeal messages because it dictates a person's ability to deal with both the emotion and the situation. For example, if a person is not self-efficacious about their ability to impact the global environment, they are not likely to change their attitude or behavior about global warming.

Dillard (1994) suggests that message features such as source non-verbal communication, message content, and receiver differences can impact the emotion impact of fear appeals. The characteristics of a message are important because one message can elicit different levels of emotion for different people. Thus, in terms of emotion appeals messages, one size does not fit all.

Attitude accessibility refers to the activation of an attitude from memory in other words, how readily available is an attitude about an object, issue, or situation. Issue involvement is the relevance and salience of an issue or situation to an individual. Issue involvement has been correlated with both attitude access and attitude strength. Past studies conclude accessible attitudes are more resistant to change.

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UNIT – III (PERSONALITY)

Personality can be defined as a dynamic and organized set of characteristics possessed by a person that uniquely influences his or her cognitions, motivations, and behaviors in various situations. The word "personality" originates from the Latin *persona*, which means mask. Significantly, in the theatre of the ancient Latin-speaking world, the mask was not used as a plot device to disguise the identity of a character, but rather was a convention employed to represent or typify that character.

The pioneering American psychologist, Gordon Allport (1937) described two major ways to study personality, the nomothetic and the idiographic. Nomothetic psychology seeks general laws that can be applied to many different people, such as the principle of self-actualization, or the trait of extraversion. Idiographic psychology is an attempt to understand the unique aspects of a particular individual.

The study of personality has a rich and varied history in psychology, with an abundance of theoretical traditions. The major theories include dispositional (trait) perspective, psychodynamic, humanistic, biological, behaviorist and social learning perspective. There is no consensus on the definition of "personality" in psychology. Most researchers and psychologists, do not explicitly identify themselves with a certain perspective and often take an eclectic approach. Some research is empirically driven such as the "Big 5" personality model whereas other research emphasizes theory development such as psychodynamics. There is also a substantial emphasis on the applied field of personality testing. In psychological education and training, the study of the nature of personality and its psychological development is usually reviewed as a prerequisite to courses in abnormal or clinical psychology.

NATURE**NOTES**

Many of the ideas developed by historical and modern personality theorists stem from the basic philosophical assumptions they hold. The study of personality is not a purely empirical discipline, as it brings in elements of art, science, and philosophy to draw general conclusions. The following five categories are some of the most fundamental philosophical assumptions on which theorists disagree:

1. Freedom versus Determinism

This is the debate over whether we have control over our own behavior and understand the motives behind it (Freedom), or if our behavior is causally determined by forces beyond our control (Determinism). Determinism has been considered unconscious, environmental, or biological by various theories.

2. Heredity versus Environment

Personality is thought to be determined largely by genetics and biology, by environment and experiences, or by some combination resulting thereof. There is evidence for all possibilities. Contemporary research suggests that most personality traits are based on the joint influence of genetics and environment.

3. Uniqueness versus Universality

The argument over whether we are all unique individuals (Uniqueness) or if humans are basically similar in their nature (Universality). Gordon Allport, Abraham Maslow, and Carl Rogers were all advocates of the uniqueness of individuals. Behaviorists and cognitive theorists, in contrast, emphasized the importance of universal principles such as reinforcement and self-efficacy.

4. Active versus Reactive

Do we primarily act through our own initiative (Active), or react to outside stimuli (Reactive)? Behavioral theorists typically believe that humans are passively shaped by their environments, whereas humanistic and cognitive theorists believe that humans are more active.

5. Optimistic versus Pessimistic

Personality theories differ on whether people can change their personalities (Optimism), or if they are doomed to remain the same throughout their lives (Pessimism). Theories that place a great deal of emphasis on learning are often, but not always, more optimistic than theories that do not emphasize learning.

THEORIES AND TYPES

Critics of personality theory claim personality is "plastic" across time, places, moods, and situations. Changes in personality may indeed result from diet (or lack thereof), medical effects, significant events, or learning. However, most personality theories emphasize stability over fluctuation.

According to the Diagnostic and Statistical Manual of the American Psychiatric Association, personality traits are “enduring patterns of perceiving, relating to, and thinking about the environment and oneself that are exhibited in a wide range of social and personal contexts.” Theorists generally assume a) traits are relatively stable over time, b) traits differ among individuals (e.g. some people are outgoing while others are reserved), and c) traits influence behavior.

The most common models of traits incorporate three to five broad dimensions or factors. The least controversial dimension, observed as far back as the ancient Greeks, is simply extraversion and introversion (outgoing and physical-stimulation-oriented vs. quiet and physical-stimulation-averse).

- Gordon Allport delineated different kinds of traits, which he also called dispositions. Central traits are basic to an individual’s personality, while secondary traits are more peripheral. Common traits are those recognized within a culture and thus may vary from culture to culture. Cardinal traits are those by which an individual may be strongly recognized.
- Raymond Cattell’s research propagated a two-tiered personality structure with sixteen “primary factors” (16 Personality Factors) and five “secondary factors.”
- Hans Eysenck believed just three traits—extraversion, neuroticism and psychoticism—were sufficient to describe human personality. Differences between Cattell and Eysenck emerged due to preferences for different forms of factor analysis, with Cattell using oblique, Eysenck orthogonal, rotation to analyse the factors that emerged when personality questionnaires were subjected to statistical analysis. Today, the Big Five factors have the weight of a considerable amount of empirical research behind them, building on the work of Cattell and others.
- Lewis Goldberg proposed a five-dimension personality model, nicknamed the “Big Five”:
 1. *Openness to Experience*: the tendency to be imaginative, independent, and interested in variety vs. practical, conforming, and interested in routine.
 2. *Conscientiousness*: the tendency to be organized, careful, and disciplined vs. disorganized, careless, and impulsive.
 3. *Extraversion*: the tendency to be sociable, fun-loving, and affectionate vs. retiring, somber, and reserved.
 4. *Agreeableness*: the tendency to be softhearted, trusting, and helpful vs. ruthless, suspicious, and uncooperative.
 5. *Neuroticism*: the tendency to be calm, secure, and self-satisfied vs. anxious, insecure, and self-pitying.

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The Big Five contain important dimensions of personality. However, some personality researchers argue that this list of major traits is not exhaustive. Some support has been found for two additional factors: excellent/ordinary and evil/decent. However, no definitive conclusions have been established.

- John L. Holland's RIASEC vocational model, commonly referred to as the Holland Codes, stipulates that six personality traits lead people to choose their career paths. In this circumplex model, the six types are represented as a hexagon, with adjacent types more closely related than those more distant. The model is widely used in vocational counseling.

Trait models have been criticized as being purely descriptive and offering little explanation of the underlying causes of personality. Eysenck's theory, however, does propose biological mechanisms as driving traits, and modern behavior genetics researchers have shown a clear genetic substrate to them. Another potential weakness of trait theories is that they lead people to accept oversimplified classifications, or worse offer advice, based on a superficial analysis of their personality. Finally, trait models often underestimate the effect of specific situations on people's behavior. It is important to remember that traits are statistical generalizations that do not always correspond to an individual's behavior.

TYPE THEORIES

Personality type refers to the psychological classification of different types of people. Personality types are distinguished from personality traits, which come in different levels or degrees. For example, according to type theories, there are two types of people, introverts and extraverts. According to trait theories, introversion and extraversion are part of a continuous dimension, with many people in the middle. The idea of psychological types originated in the theoretical work of Carl Jung and William Marston, whose work is reviewed in Dr. Travis Bradberry's *The Personality Code*. Jung's seminal 1921 book on the subject is available in English as *Psychological Types*.

Building on the writings and observations of Jung, during World War II, Isabel Briggs Myers and her mother, Katharine C. Briggs, delineated personality types by constructing the Myers-Briggs Type Indicator. This model was later used by David Keirsey with a different understanding from Jung, Briggs and Myers. In the former Soviet Union, Lithuanian Auðra Augustinavièiûtè independently derived a model of personality type from Jung's called Socionics.

The model is an older and more theoretical approach to personality, accepting extraversion and introversion as basic psychological orientations in connection with two pairs of psychological functions:

- Perceiving functions: sensing and intuition (trust in concrete, sensory-oriented facts vs. trust in abstract concepts and imagined possibilities)
- Judging functions: thinking and feeling (basing decisions primarily on logic vs. considering the effect on people).

Briggs and Myers also added another personality dimension to their type indicator to measure whether a person prefers to use a judging or perceiving function when interacting with the external world. Therefore they included questions designed to indicate whether someone wishes to come to conclusions (judgment) or to keep options open (perception).

This personality typology has some aspects of a trait theory: it explains people's behaviour in terms of opposite fixed characteristics. In these more traditional models, the sensing/intuition preference is considered the most basic, dividing people into "N" (intuitive) or "S" (sensing) personality types. An "N" is further assumed to be guided either by thinking or feeling, and divided into the "NT" (scientist, engineer) or "NF" (author, humanitarian) temperament. An "S", by contrast, is assumed to be guided more by the judgment/perception axis, and thus divided into the "SJ" (guardian, traditionalist) or "SP" (performer, artisan) temperament. These four are considered basic, with the other two factors in each case (including always extraversion/introversion) less important. Critics of this traditional view have observed that the types can be quite strongly stereotyped by professions (although neither Myers nor Keirsey engaged in such stereotyping in their type descriptions), and thus may arise more from the need to categorize people for purposes of guiding their career choice. This among other objections led to the emergence of the five-factor view, which is less concerned with behavior under work conditions and more concerned with behavior in personal and emotional circumstances. (It should be noted, however, that the MBTI is not designed to measure the "work self," but rather what Myers and McCaulley called the "shoes-off self.") Some critics have argued for more or fewer dimensions while others have proposed entirely different theories (often assuming different definitions of "personality").

Type A and Type B personality theory: During the 1950s, Meyer Friedman and his co-workers defined what they called Type A and Type B behavior patterns. They theorized that intense, hard-driving Type A personalities had a higher risk of coronary disease because they are "stress junkies." Type B people, on the other hand, tended to be relaxed, less competitive, and lower in risk. There was also a Type AB mixed profile. Dr. Redford Williams, cardiologist at Duke University, refuted Friedman's theory that Type A personalities have a higher risk of coronary heart disease; however, current research indicates that only the hostility component of Type A may have health implications. Type A/B theory has been extensively criticized by psychologists because it tends to oversimplify the many dimensions of an individual's personality.

PSYCHOANALYTIC THEORIES

Psychoanalytic theories explain human behaviour in terms of the interaction of various components of personality. Sigmund Freud was the founder of this

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school. Freud drew on the physics of his day (thermodynamics) to coin the term psychodynamics. Based on the idea of converting heat into mechanical energy, he proposed psychic energy could be converted into behavior. Freud's theory places central importance on dynamic, unconscious psychological conflicts.

Freud divides human personality into three significant components: the id, ego, and super-ego. The id acts according to the pleasure principle, demanding immediate gratification of its needs regardless of external environment; the ego then must emerge in order to realistically meet the wishes and demands of the id in accordance with the outside world, adhering to the reality principle. Finally, the superego (conscience) inculcates moral judgment and societal rules upon the ego, thus forcing the demands of the id to be met not only realistically but morally. The superego is the last function of the personality to develop, and is the embodiment of parental/social ideals established during childhood. According to Freud, personality is based on the dynamic interactions of these three components.

The channeling and release of sexual (libidal) and aggressive energies, which ensues from the "Eros" (sex; instinctual self-preservation) and "Thanatos" (death; instinctual self-annihilation) drives respectively, are major components of his theory. It is important to note Freud's broad understanding of sexuality included all kinds of pleasurable feelings experienced by the human body.

Freud proposed five psychosexual stages of personality development. He believed adult personality is dependent upon early childhood experiences and largely determined by age five. Fixations that develop during the Infantile stage contribute to adult personality and behavior.

One of Sigmund Freud's earlier associates, Alfred Adler, did agree with Freud early childhood experiences are important to development, and believed birth order may influence personality development. Adler believed the oldest was the one that set high goals to achieve to get the attention they lost back when the younger siblings were born. He believed the middle children were competitive and ambitious possibly so they are able to surpass the first-born's achievements, but were not as much concerned about the glory. Also he believed the last born would be more dependent and sociable but be the baby. He also believed that the only child loves being the center of attention and matures quickly, but in the end fails to become independent.

Heinz Kohut thought similarly to Freud's idea of transference. He used narcissism as a model of how we develop our sense of self. Narcissism is the exaggerated sense of one self in which is believed to exist in order to protect one's low self esteem and sense of worthlessness. Kohut had a significant impact on the field by extending Freud's theory of narcissism and introducing what he called the 'self-object transferences' of mirroring and idealization. In other words, children need to idealize and emotionally "sink into" and identify with the idealized

competence of admired figures such as parents or older siblings. They also need to have their self-worth mirrored by these people. These experiences allow them to thereby learn the self-soothing and other skills that are necessary for the development of a healthy sense of self.

Another important figure in the world of personality theory was Karen Horney. She is credited with the development of the "real self" and the "ideal self". She believes all people have these two views of their own self. The "real self" is how you really are with regards to personality, values, and morals; but the "ideal self" is a construct you apply to yourself to conform to social and personal norms and goals. Ideal self would be "I can be successful, I am CEO material"; and real self would be "I just work in the mail room, with not much chance of high promotion".

BEHAVIORIST THEORIES

Behaviorists explain personality in terms of the effects external stimuli have on behavior. It was a radical shift away from Freudian philosophy. This school of thought was developed by B. F. Skinner who put forth a model which emphasized the mutual interaction of the person or "the organism" with its environment. Skinner believed children do bad things because the behavior obtains attention that serves as a reinforcer. For example: a child cries because the child's crying in the past has led to attention. These are the response, and consequences. The response is the child crying, and the attention that child gets is the reinforcing consequence. According to this theory, people's behavior is formed by processes such as operant conditioning. Skinner put forward a "three term contingency model" which helped promote analysis of behavior based on the "Stimulus - Response - Consequence Model" in which the critical question is: "Under which circumstances or antecedent 'stimuli' does the organism engage in a particular behavior or 'response', which in turn produces a particular 'consequence'?"

Richard Herrnstein extended this theory by accounting for attitudes and traits. An attitude develops as the response strength (the tendency to respond) in the presences of a group of stimuli become stable. Rather than describing conditionable traits in non-behavioral language, response strength in a given situation accounts for the environmental portion. Herrnstein also saw traits as having a large genetic or biological component as do most modern behaviorists.

Ivan Pavlov is another notable influence. He is well known for his classical conditioning experiments involving dogs. These physiological studies led him to discover the foundation of behaviorism as well as classical conditioning.

SOCIAL COGNITIVE THEORIES

In cognitivism, behavior is explained as guided by cognitions (e.g. expectations) about the world, especially those about other people. Cognitive

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theories are theories of personality that emphasize cognitive processes such as thinking and judging.

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Albert Bandura, a social learning theorist suggested the forces of memory and emotions worked in conjunction with environmental influences. Bandura was known mostly for his "Bobo Doll experiment". During these experiments, Bandura video taped a college student kicking and verbally abusing a bobo doll. He then showed this video to a class of kindergarten children who were getting ready to go out to play. When they entered the play room, they saw bobo dolls, and some hammers. The people observing these children at play saw a group of children beating the doll. He called this study and his findings observational learning, or modeling.

Early examples of approaches to cognitive style are listed by Baron (1982). These include Witkin's (1965) work on field dependency, Gardner's (1953) discovering people had consistent preference for the number of categories they used to categorise heterogeneous objects, and Block and Petersen's (1955) work on confidence in line discrimination judgments. Baron relates early development of cognitive approaches of personality to ego psychology. More central to this field have been:

- Self-efficacy work, dealing with confidence people have in abilities to do tasks;
- Locus of control theory dealing with different beliefs people have about whether their worlds are controlled by themselves or external factors;
- Attributional style theory dealing with different ways in which people explain events in their lives. This approach builds upon locus of control, but extends it by stating we also need to consider whether people attribute to stable causes or variable causes, and to global causes or specific causes.

Various scales have been developed to assess both attributional style and locus of control. Locus of control scales include those used by Rotter and later by Duttweiler, the Nowicki and Strickland (1973) Locus of Control Scale for Children and various locus of control scales specifically in the health domain, most famously that of Kenneth Wallston and his colleagues, The Multidimensional Health Locus of Control Scale. Attributional style has been assessed by the Attributional Style Questionnaire, the Expanded Attributional Style Questionnaire, the Attributions Questionnaire, the Real Events Attributional Style Questionnaire and the Attributional Style Assessment Test.

Walter Mischel (1999) has also defended a cognitive approach to personality. His work refers to "Cognitive Affective Units", and considers factors such as encoding of stimuli, affect, goal-setting, and self-regulatory beliefs. The term "Cognitive Affective Units" shows how his approach considers affect as well as cognition.

Personal Construct Psychology (PCP) is a theory of personality developed by the American psychologist George Kelly in the 1950s. From the theory, Kelly derived a psychotherapy approach and also a technique called The Repertory Grid Interview that helped his patients to uncover their own "constructs" (defined later) with minimal intervention or interpretation by the therapist. The Repertory Grid was later adapted for various uses within organizations, including decision-making and interpretation of other people's world-views. From his 1963 book, *A Theory of Personality*, pp. 103–104:

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- **Fundamental Postulate:** A person's processes are psychologically channelized by the ways in which the person anticipates events.
- **Construction Corollary:** A person anticipates events by construing their replications.
- **Individuality Corollary:** People differ from one another in their construction of events.
- **Organization Corollary:** Each person characteristically evolves, for convenience in anticipating events, a construction system embracing ordinal relationships between constructs.
- **Dichotomy Corollary:** A person's construction system is composed of a finite number of dichotomous constructs.
- **Choice Corollary:** People choose for themselves the particular alternative in a dichotomized construct through which they anticipate the greater possibility for extension and definition of their system.
- **Range Corollary:** A construct is convenient for the anticipation of a finite range of events only.
- **Experience Corollary:** A person's construction system varies as the person successively construes the replication of events.
- **Modulation Corollary:** The variation in a person's construction system is limited by the permeability of the constructs within whose ranges of conveniences the variants lie.
- **Fragmentation Corollary:** A person may successively employ a variety of construction subsystems which are inferentially incompatible with each other.
- **Commonality Corollary:** To the extent that one person employs a construction of experience which is similar to that employed by another, the psychological processes of the two individuals are similar to each other.
- **Sociality Corollary:** To the extent that one person construes another's construction processes, that person may play a role in a social process involving the other person.

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In humanistic psychology it is emphasized people have free will and they play an active role in determining how they behave. Accordingly, humanistic psychology focuses on subjective experiences of persons as opposed to forced, definitive factors that determine behavior. Abraham Maslow and Carl Rogers were proponents of this view, which is based on the "phenomenal field" theory of Combs and Snygg (1949).

Maslow spent much of his time studying what he called "self-actualizing persons", those who are "fulfilling themselves and doing the best they are capable of doing". Maslow believes all who are interested in growth move towards self-actualizing (growth, happiness, satisfaction) views. Many of these people demonstrate a trend in dimensions of their personalities. Characteristics of self-actualizers according to Maslow include the four key dimensions:

1. **Awareness** - maintaining constant enjoyment and awe of life. These individuals often experienced a "peak experience". He defined a peak experience as an "intensification of any experience to the degree there is a loss or transcendence of self". A peak experience is one in which an individual perceives an expansion of his or herself, and detects a unity and meaningfulness in life. Intense concentration on an activity one is involved in, such as running a marathon, may invoke a peak experience.
2. **Reality and problem centered** - they have tendency to be concerned with "problems" in their surroundings.
3. **Acceptance/Spontaneity** - they accept their surroundings and what cannot be changed.
4. **Unhostile sense of humor/democratic** - they do not like joking about others, which can be viewed as offensive. They have friends of all backgrounds and religions and hold very close friendships.

Maslow and Rogers emphasized a view of the person as an active, creative, experiencing human being who lives in the present and subjectively responds to current perceptions, relationships, and encounters. They disagree with the dark, pessimistic outlook of those in the Freudian psychoanalysis ranks, but rather view humanistic theories as positive and optimistic proposals which stress the tendency of the human personality toward growth and self-actualization. This progressing self will remain the center of its constantly changing world; a world that will help mold the self but not necessarily confine it. Rather, the self has opportunity for maturation based on its encounters with this world. This understanding attempts to reduce the acceptance of hopeless redundancy. Humanistic therapy typically relies on the client for information of the past and its effect on the present, therefore the client dictates the type of guidance the therapist may initiate. This allows for an individualized approach to therapy. Rogers

found patients differ in how they respond to other people. Rogers tried to model a particular approach to therapy- he stressed the reflective or empathetic response. This response type takes the client's viewpoint and reflects back his or her feeling and the context for it. An example of a reflective response would be, "It seems you are feeling anxious about your upcoming marriage". This response type seeks to clarify the therapist's understanding while also encouraging the client to think more deeply and seek to fully understand the feelings they have expressed.

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MEASURING PERSONALITY

Since personality of an individual plays a crucial role in shaping an organization, several methods have been evolved to measure personality. By and large three methods of assessment are being used. These are Personality Inventories, Projective Tests and Assessment Centre. Let us now briefly discuss each method.

PERSONALITY INVENTORIES

As a widely used method of measuring personality, it consists of several statements related with a specific dimension of personality and individuals are asked to indicate their degree of agreement or disagreement. This is usually done by asking both negatively and positively worded statements on selected common themes.

PROJECTIVE TESTS

This test is conducted to investigate more difficult and sophisticated aspects of an individual's personality. The assumption is that some of the dormant fantasies, feelings, hopes and aspirations can be measured to assess a personality. The test consists of ten pictures; one half being the same as other half. These are ambiguous, unstructured inkblots and the individuals are asked to indicate what they see in these pictures. Another projective method is the thematic appreciation. Morgan and Murray (1935) developed this test. It consists of twenty pictures, each of which represents a social setting. These pictures provide a relatively defined situations and the individual is asked to write a story of what might be happening in that social situation.

ASSESSMENT CENTRE

This test consists of a variety of methods used to evaluate the personality of employees in organizations. It may consist of situational tests, management problems, in-basket exercises, business plan presentations, letter and memo writing etc. It is followed by developing behavior categories to assess the performance on the key result areas. The dimensions assessed are personality characteristics such as sensitivity to others, career ambition, integrity, independence etc.

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Most organizational behavior strategies are eventually meant to optimally utilize the capabilities of individuals and groups towards achievement of organizational objectives. The performance of an individual is a function of his or her ability and willingness or desire to use one's ability to achieve certain goals. However, it is important that staff is adequately motivated to fulfill these objectives. Once a manager is able to understand the traits of personality of an individual worker, she or he can use different methods of motivation. The point of work motivation is discussed in next chapter.

UNIT – IV (LEARNING)

Learning is acquiring new knowledge, behaviors, skills, values, preferences or understanding, and may involve synthesizing different types of information. The ability to learn is possessed by humans, animals and some machines. Progress over time tends to follow learning curves.

CONCEPT AND THEORIES

Human learning may occur as part of education or personal development. It may be goal-oriented and may be aided by motivation. The study of how learning occurs is part of neuropsychology, educational psychology, learning theory, and pedagogy.

Learning may occur as a result of habituation or classical conditioning, seen in many animal species, or as a result of more complex activities such as play, seen only in relatively intelligent animals and humans. Learning may occur consciously or without conscious awareness. There is evidence for human behavioral learning prenatally, in which habituation has been observed as early as 32 weeks into gestation, indicating that the central nervous system is sufficiently developed and primed for learning and memory to occur very early on in development.

Play has been approached by several theorists as the first form of learning. Children play, experiment with the world, learn the rules, and learn to interact. Vygotsky agrees that play is pivotal for children's development, since they make meaning of their environment through play.

HABITUATION

In psychology, habituation is an example of non-associative learning in which there is a progressive diminution of behavioral response probability with repetition of a stimulus. It is another form of integration. An animal first responds to a stimulus, but if it is neither rewarding nor harmful the animal reduces subsequent responses. One example of this can be seen in small song birds -if a stuffed owl

(or similar predator) is put into the cage, the birds initially react to it as though it were a real predator. Soon the birds react less, showing habituation. If another stuffed owl is introduced (or the same one removed and re-introduced), the birds react to it again as though it were a predator, demonstrating that it is only a very specific stimulus that is habituated to (namely, one particular unmoving owl in one place). Habituation has been shown in essentially every species of animal, including the large protozoan *Stentor Coeruleus*.

SENSITIZATION

Sensitization is an example of non-associative learning in which the progressive amplification of a response follows repeated administrations of a stimulus (Bell et al., 1995). An everyday example of this mechanism is the repeated tonic stimulation of peripheral nerves that will occur if a person rubs his arm continuously. After a while, this stimulation will create a warm sensation that will eventually turn painful.

The pain is the result of the progressively amplified synaptic response of the peripheral nerves warning the person that the stimulation is harmful. Sensitization is thought to underlie both adaptive as well as maladaptive learning processes in the organism.

ASSOCIATIVE LEARNING

Associative learning is the process by which an element is learned through association with a separate, pre-occurring element.

OBSERVATIONAL LEARNING

The learning process most characteristic of humans is imitation; one's personal repetition of an observed behaviour, such as a dance. Humans can copy three types of information simultaneously: the demonstrator's goals, actions and environmental outcomes (results, see Emulation (observational learning)). Through copying these types of information, (most) infants will tune into their surrounding culture.

INFORMAL LEARNING

Informal learning occurs through the experience of day-to-day situations (for example, one would learn to look ahead while walking because of the danger inherent in not paying attention to where one is going). It is learning from life, during a meal at table with parents, Play, exploring.

FORMAL LEARNING

Formal learning is learning that takes place within a teacher-student relationship, such as in a school system.

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Nonformal learning is organized learning outside the formal learning system. For example: learning by coming together with people with similar interests and exchanging viewpoints, in clubs or in (international) youth organizations, workshops.

NON-FORMAL LEARNING AND COMBINED APPROACHES

The educational system may use a combination of formal, informal, and non-formal learning methods. The UN and EU recognize these different forms of learning (cf. links below). In some schools students can get points that count in the formal-learning systems if they get work done in informal-learning circuits. They may be given time to assist international youth workshops and training courses, on the condition they prepare, contribute, share and can proof this offered valuable new insights, helped to acquire new skills, a place to get experience in organizing, teaching, etc.

In order to learn a skill, such as solving a Rubik's cube quickly, several factors come into play at once:

- Directions help one learn the patterns of solving a Rubik's cube
- Practicing the moves repeatedly and for extended time helps with "muscle memory" and therefore speed
- Thinking critically about moves helps find shortcuts, which in turn helps to speed up future attempts.
- The Rubik's cube's six colors help anchor solving it within the head.
- Occasionally revisiting the cube helps prevent negative learning or loss of skill.

TANGENTIAL LEARNING

Tangential Learning is the process by which some portion of people will self-educate if a topic is exposed to them in something that they already enjoy such as playing an instrument like the guitar or playing the drums.

DOMAINS OF LEARNING

The three domains of learning are:

- **Cognitive** - To recall, calculate, discuss, analyze, problem solve, etc.
- **Psychomotor** - To dance, swim, ski, dive, drive a car, ride a bike, etc.
- **Affective** - To like something or someone, love, appreciate, fear, hate, worship, etc.

These domains are not mutually exclusive. For example, in learning to play chess, the person will have to learn the rules of the game (cognitive domain); but he also has to learn how to set up the chess pieces on the chessboard and also

how to properly hold and move a chess piece (psychomotor). Furthermore, later in the game the person may even learn to love the game itself, value its applications in life, and appreciate its history (affective domain).

SUMMARY

1. Organizational behaviour is a field of study that investigates the impact that individuals, groups and organizational structure have on behaviour within the organization, for the purpose of applying such knowledge towards improving an organizational effectiveness.

2. Social cognitive Framework is a learning theory based on the ideas that people learn by watching what others do and that human thought processes are central to understanding personality.

3. Perception is the process of attaining awareness or understanding of sensory information. The word "perception" comes from the Latin words perceptio, percipio, and means "receiving, collecting, action of taking possession, apprehension with the mind or senses.

4. An attitude is a hypothetical construct that represents an individual's degree of like or dislike for an item. Attitudes are generally positive or negative views of a person, place, thing, or event— this is often referred to as the attitude object.

5. Personality can be defined as a dynamic and organized set of characteristics possessed by a person that uniquely influences his or her cognitions, motivations, and behaviors in various situations.

6. Learning is acquiring new knowledge, behaviors, skills, values, preferences or understanding, and may involve synthesizing different types of information. The ability to learn is possessed by humans, animals and some machines.

REVIEW QUESTIONS

1. What is the historical background of the study of organizational behaviour?
2. Discuss the important characteristics of organisational behaviour.
3. State the relationship of organisational behaviour with Psychology and Sociology.
4. How does perception change? Discuss.
5. What do you understand by trait theory of personality?
6. Explain the basic components of emotional appeal.
7. Discuss the humanistic theories of personality.
8. What is the basic concept of learning?

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CHAPTER— II

WORK MOTIVATION

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STRUCTURE

- Introduction
- Concept
- Principles and Theories
- Controlling Motivation
- Applications
- Maslow's Hierarchy of Needs
- Herzberg Theory of Motivation
- Summary
- Review Questions and Further Readings

LEARNING OBJECTIVES

After going through the unit, students will be able to:

- state the fundamental concepts of motivation;
- explain the principles and theories of motivation;
- discuss the application of the concept of motivation;
- state Maslow's and Herzberg's theories.

INTRODUCTION

Motivation is a process that starts with physiological or psychological urge or need. It activates a behavior or a drive that is aimed at a goal or incentive. All individuals have a number of basic needs which can be thought as outlets that channel and regulate the flow of potential energy from the reservoir. Most individuals have, within a given socio-cultural system, a similar set of motives or energy outlets; but differ greatly in the relative strength or readiness of various motives and actualization of motives depends on specific situations in which a person finds himself or herself.

MOTIVATION: IMPROVING FACTORS

There are several ways in which motivation level of employees can be augmented and improved. Some of these factors are described as under:

Job Enrichment: Jobs must be redesigned to provide opportunities for achievement, recognition, responsibility and growth. It comprises of variety in work contents, greater use of skills and opportunity for growth by providing employee with a complete unit of work and increased authority.

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Flexi Time: The concept of flexi time is designed to provide employees some control on their work schedule. Entire work time is divided into "core time" and "flexi time". During core time, all employees are compulsorily present while during flexi time they are free to choose their own timings.

Empowerment: Empowerment essentially means providing authority to employees in their area of operation for resolving their work related problems without seeking approval from above.

Quality Circles: Quality circles are semi autonomous work groups which meet regularly to discuss and solve problems related to their specific area which aims at improving working conditions and self development.

Employees Stock Ownership Plan: It has become a major tool in retaining and motivating employees in business organizations. It is an organization's established benefit plan in which employees are offered company stock as part of their benefit package. It makes employees work harder as it directly affects the performance of the company and the value of their stock also raises.

UNIT – I

CONCEPT

Motivation is the activation or energization of goal-oriented behavior. Motivation is said to be intrinsic or extrinsic. The term is generally used for humans but, theoretically, it can also be used to describe the causes for animal behavior as well. This article refers to human motivation. According to various theories, motivation may be rooted in the basic need to minimize physical pain and maximize pleasure, or it may include specific needs such as eating and resting, or a desired object, hobby, goal, state of being, ideal, or it may be attributed to less-apparent reasons such as altruism, selfishness, morality, or avoiding mortality.

INTRINSIC AND EXTRINSIC MOTIVATION

Intrinsic Motivations

Intrinsic motivation comes from rewards inherent to a task or activity itself- the enjoyment of a puzzle or the love of playing. This form of motivation has been studied by social and educational psychologists since the early 1970s. Research has found that it is usually associated with high educational achievement and enjoyment by students. Intrinsic motivation has been explained by Fritz Heider's attribution theory, Bandura's work on self-efficacy, and Ryan and Deci's cognitive evaluation theory. Students are likely to be intrinsically motivated if they:

- attribute their educational results to internal factors that they can control (e.g. the amount of effort they put in),

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- believe they can be effective agents in reaching desired goals (i.e. the results are not determined by luck),
- are interested in mastering a topic, rather than just rote-learning to achieve good grades.

Extrinsic Motivation

Extrinsic motivation comes from outside of the performer. Money is the most obvious example, but coercion and threat of punishment are also common extrinsic motivations.

While competing, the crowd may cheer on the performer, which may motivate him or her to do well. Trophies are also extrinsic incentives. Competition is in general extrinsic because it encourages the performer to win and beat others, not to enjoy the intrinsic rewards of the activity.

Social psychological research has indicated that extrinsic rewards can lead to overjustification and a subsequent reduction in intrinsic motivation. In one study demonstrating this effect, children who expected to be (and were) rewarded with a ribbon and a gold star for drawing pictures spent less time playing with the drawing materials in subsequent observations than children who were assigned to an unexpected reward condition and to children who received no extrinsic reward.

Self-Control

The self-control of motivation is increasingly understood as a subset of emotional intelligence; a person may be highly intelligent according to a more conservative definition (as measured by many intelligence tests), yet unmotivated to dedicate this intelligence to certain tasks. Yale School of Management professor Victor Vroom's "expectancy theory" provides an account of when people will decide whether to exert self control to pursue a particular goal.

Drives and desires can be described as a deficiency or need that activates behaviour that is aimed at a goal or an incentive. These are thought to originate within the individual and may not require external stimuli to encourage the behaviour. Basic drives could be sparked by deficiencies such as hunger, which motivates a person to seek food; whereas more subtle drives might be the desire for praise and approval, which motivates a person to behave in a manner pleasing to others.

By contrast, the role of extrinsic rewards and stimuli can be seen in the example of training animals by giving them treats when they perform a trick correctly. The treat motivates the animals to perform the trick consistently, even later when the treat is removed from the process.

THE INCENTIVE THEORY OF MOTIVATION**NOTES**

A reward, tangible or intangible, is presented after the occurrence of an action (i.e. behavior) with the intent to cause the behavior to occur again. This is done by associating positive meaning to the behavior. Studies show that if the person receives the reward immediately, the effect would be greater, and decreases as duration lengthens. Repetitive action-reward combination can cause the action to become habit. Motivation comes from two sources: oneself, and other people. These two sources are called intrinsic motivation and extrinsic motivation, respectively.

Applying proper motivational techniques can be much harder than it seems. Steven Kerr notes that when creating a reward system, it can be easy to reward A, while hoping for B, and in the process, reap harmful effects that can jeopardize your goals.

A reinforcer is different from reward, in that reinforcement is intended to create a measured increase in the rate of a desirable behavior following the addition of something to the environment.

DRIVE-REDUCTION THEORIES

There are a number of drive theories. The Drive Reduction Theory grows out of the concept that we have certain biological drives, such as hunger. As time passes the strength of the drive increases if it is not satisfied (in this case by eating). Upon satisfying a drive the drive's strength is reduced. The theory is based on *diverse ideas from the theories of Freud to the ideas of feedback control systems, such as a thermostat.*

Drive theory has some intuitive or folk validity. For instance when preparing food, the drive model appears to be compatible with sensations of rising hunger as the food is prepared, and, after the food has been consumed, a decrease in subjective hunger. There are several problems, however, that leave the validity of drive reduction open for debate. The first problem is that it does not explain how secondary reinforcers reduce drive. For example, money satisfies no biological or psychological needs, but a pay check appears to reduce drive through second-order conditioning. Secondly, a drive, such as hunger, is viewed as having a "desire" to eat, making the drive a homuncular being - a feature criticized as simply moving the fundamental problem behind this "small man" and his desires.

In addition, it is clear that drive reduction theory cannot be a complete theory of behavior, or a hungry human could not prepare a meal without eating the food before they finished cooking it. The ability of drive theory to cope with all kinds of behavior, from not satisfying a drive (by adding on other traits such

as restraint), or adding additional drives for "tasty" food, which combine with drives for "food" in order to explain cooking rather than it being hard to test.

COGNITIVE DISSONANCE THEORY

Suggested by Leon Festinger, this occurs when an individual experiences some degree of discomfort resulting from an incompatibility between two cognitions. For example, a consumer may seek to reassure himself regarding a purchase, feeling, in retrospect, that another decision may have been preferable.

Another example of cognitive dissonance is when a belief and a behavior are in conflict. A person may wish to be healthy, believes smoking is bad for one's health, and yet continues to smoke.

KEY EXPERIENCES AND MOTIVATION

Prof. Gad Yair from The Hebrew University has developed a line of research on Key Experiences, especially relating to educational events. His approach to motivation follows his longstanding interest in outstanding motivating events - either short term and contextual or long-term. He first published a series of papers using the Experience Sampling Method (all three in 2000). This has led to his major study of key experiences, motivation and long-term outcomes. His papers on Key experiences in higher education and on the role of those experiences in educational turning points are readily available over the net. The concept of key educational experiences refers to singular, short and intense educational encounters that proved to have strong and long-lasting effects on adults. These encounters are at times associated with a specific person who led them [e.g. teacher, parent, youth leader], at others with the structure of the episode itself [e.g. progress toward a peak event which is then associated with insight and hindsight]. Indeed, many respondents speak of their key educational experiences in terms of *sight*: Exceptional activities cause prior blinders to be suddenly lifted off, producing clear vision and *insight*, notably about students' own selves.

SELF-DETERMINATION THEORY

Self-determination theory, developed by Edward Deci and Richard Ryan, focuses on the importance of intrinsic motivation in driving human behavior. Like Maslow's hierarchical theory and others that built on it, SDT posits a natural tendency toward growth and development. Unlike these other theories, however, SDT does not include any sort of "autopilot" for achievement, but instead requires active encouragement from the environment. The primary factors that encourage motivation and development are autonomy, competence feedback, and relatedness.

BROAD THEORIES

The latest approach in Achievement Motivation is an integrative perspective as lined out in the "Onion-Ring-Model of Achievement Motivation" by Heinz

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Schuler, George C. Thornton III, Andreas Frintrup and Rose Mueller-Hanson. It is based on the premise that performance motivation results from the way broad components of personality are directed towards performance. As a result, it includes a range of dimensions that are relevant to success at work but which are not conventionally regarded as being part of performance motivation. Especially it integrates formerly separated approaches as Need for Achievement with e.g. social motives like Dominance. The Achievement Motivation Inventory (AMI) (Schuler, Thornton, Frintrup & Mueller-Hanson, 2003) is based on this theory and assesses three factors (17 separated scales) relevant to vocational and professional success.

GOAL-SETTING THEORY

Goal-setting theory is based on the notion that individuals sometimes have a drive to reach a clearly defined end state. Often, this end state is a reward in itself. A goal's efficiency is affected by three features: proximity, difficulty and specificity. An ideal goal should present a situation where the time between the initiation of behavior and the end state is close. This explains why some children are more motivated to learn how to ride a bike than mastering algebra. A goal should be moderate, not too hard or too easy to complete. In both cases, most people are not optimally motivated, as many want a challenge (which assumes some kind of insecurity of success). At the same time people want to feel that there is a substantial probability that they will succeed. Specificity concerns the description of the goal in their class. The goal should be objectively defined and intelligible for the individual. A classic example of a poorly specified goal is to get the highest possible grade. Most children have no idea how much effort they need to reach that goal.

CONTROLLING MOTIVATION

The control of motivation is only understood to a limited extent. There are many different approaches of motivation training, but many of these are considered pseudoscientific by critics. To understand how to control motivation it is first necessary to understand why many people lack motivation.

EMPLOYEE MOTIVATION

Workers in any organization need something to keep them working. Most times the salary of the employee is enough to keep him or her working for an organization. However, sometimes just working for salary is not enough for employees to stay at an organization. An employee must be motivated to work for a company or organization. If no motivation is present in an employee, then that employee's quality of work or all work in general will deteriorate.

Keeping an employee working at full potential is the ultimate goal of employee motivation. There are many methods to help keep employees motivated. Some traditional ways of motivating workers are placing them in competition with each other. Friendly competition is a great way to generate motivation among employees. This gives a chance for employees to flex their working skills in a competition against their peers. This not only will motivate employees with a result of greater production, but the competition with recorded results will give the employer an idea of who is being most productive.

DRUGS

Some authors, especially in the transhumanist movement, have suggested the use of "smart drugs", also known as nootropics, as "motivation-enhancers". The effects of many of these drugs on the brain are emphatically not well understood, and their legal status often makes open experimentation difficult.

APPLICATIONS

EDUCATION

Motivation is of particular interest to Educational psychologists because of the crucial role it plays in student learning. However, the specific kind of motivation that is studied in the specialized setting of education differs qualitatively from the more general forms of motivation studied by psychologists in other fields.

Motivation in education can have several effects on how students learn and how they behave towards subject matter. It can:

1. Direct behavior toward particular goals
2. Lead to increased effort and energy
3. Increase initiation of, and persistence in, activities
4. Enhance cognitive processing
5. Determine what consequences are reinforcing
6. Lead to improved performance.

Because students are not always internally motivated, they sometimes need situated motivation, which is found in environmental conditions that the teacher creates.

There are two kinds of motivation:

- Intrinsic motivation occurs when people are internally motivated to do something because it either brings them pleasure, they think it is important, or they feel that what they are learning is significant.
- Extrinsic motivation comes into play when a student is compelled to do something or act a certain way because of factors external to him or her (like money or good grades).

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Note also that there is already questioning and expansion about this dichotomy on motivation, e.g., Self-Determination Theory.

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Motivation has been found to be a pivotal area in treating Autism Spectrum Disorders, as in Pivotal Response Therapy.

Motivation is also an important element in the concept of Andragogy (what motivates the adult learner).

SUDBURY MODEL SCHOOLS' APPROACH TO MOTIVATION

Sudbury Model schools adduce that the cure to the problem of procrastination, of learning in general, and particularly of scientific illiteracy is to remove once and for all what they call the underlying disease: compulsion in schools. They contend that human nature in a free society recoils from every attempt to force it into a mold; that the more requirements we pile onto children at school, the surer we are to drive them away from the material we are trying to force down their throats; that after all the drive and motivation of infants to master the world around them is legendary. They assert that schools must keep that drive alive by doing what some of them do: nurturing it on the freedom it needs to thrive.

Sudbury Model schools do not perform and do not offer evaluations, assessments, transcripts, or recommendations, asserting that they do not rate people, and that school is not a judge; comparing students to each other, or to some standard that has been set is for them a violation of the student's right to privacy and to self-determination. Students decide for themselves how to measure their progress as self-starting learners as a process of self-evaluation: real life-long learning and the proper educational evaluation for the 21st Century, they adduce. According to Sudbury Model schools, this policy does not cause harm to their students as they move on to life outside the school. However, they admit it makes the process more difficult, but that such hardship is part of the students learning to make their own way, set their own standards and meet their own goals. The no-grading and no-rating policy helps to create an atmosphere free of competition among students or battles for adult approval, and encourages a positive co-operative environment amongst the student body.

BUSINESS

At lower levels of Maslow's hierarchy of needs, such as Physiological needs, money is a motivator, however it tends to have a motivating effect on staff that lasts only for a short period (in accordance with Herzberg's two-factor model of motivation). At higher levels of the hierarchy, praise, respect, recognition, empowerment and a sense of belonging are far more powerful motivators than money, as both Abraham Maslow's theory of motivation and Douglas McGregor's Theory X and theory Y (pertaining to the theory of leadership) demonstrate.

Maslow has money at the lowest level of the hierarchy and shows other needs are better motivators to staff. McGregor places money in his Theory X category and feels it is a poor motivator. Praise and recognition are placed in the Theory Y category and are considered stronger motivators than money.

- Motivated employees always look for better ways to do a job.
- Motivated employees are more quality oriented.
- Motivated workers are more productive.

The average workplace is about midway between the extremes of high threat and high opportunity. Motivation by threat is a dead-end strategy, and naturally staff are more attracted to the opportunity side of the motivation curve than the threat side. Motivation is a powerful tool in the work environment that can lead to employees working at their most efficient levels of production.

Nonetheless, Steinmertz also discusses three common character types of subordinates: ascendant, indifferent, and ambivalent whom all react and interact uniquely, and must be treated, managed, and motivated accordingly. An effective leader must understand how to manage all characters, and more importantly the manager must utilize avenues that allow room for employees to work, grow, and find answers independently.

The assumptions of Maslow and Herzberg were challenged by a classic study at Vauxhall Motors' UK manufacturing plant. This introduced the concept of orientation to work and distinguished three main orientations: instrumental (where work is a means to an end), bureaucratic (where work is a source of status, security and immediate reward) and solidaristic (which prioritises group loyalty).

Other theories which expanded and extended those of Maslow and Herzberg included Kurt Lewin's Force Field Theory, Edwin Locke's Goal Theory and Victor Vroom's Expectancy theory. These tend to stress cultural differences and the fact that individuals tend to be motivated by different factors at different times.

According to the system of scientific management developed by Frederick Winslow Taylor, a worker's motivation is solely determined by pay, and therefore management need not consider psychological or social aspects of work. In essence, scientific management bases human motivation wholly on extrinsic rewards and discards the idea of intrinsic rewards.

In contrast, David McClelland believed that workers could not be motivated by the mere need for money — in fact, extrinsic motivation (e.g., money) could extinguish intrinsic motivation such as achievement motivation, though money could be used as an indicator of success for various motives, e.g., keeping score. In keeping with this view, his consulting firm, McBer & Company, had as its first motto "To make everyone productive, happy, and free." For McClelland, satisfaction lay in aligning a person's life with their fundamental motivations.

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Elton Mayo found out that the social contacts a worker has at the workplace are very important and that boredom and repetitiveness of tasks lead to reduced motivation. Mayo believed that workers could be motivated by acknowledging their social needs and making them feel important. As a result, employees were given freedom to make decisions on the job and greater attention was paid to informal work groups. Mayo named the model the Hawthorne effect. His model has been judged as placing undue reliance on social contacts at work situations for motivating employees.

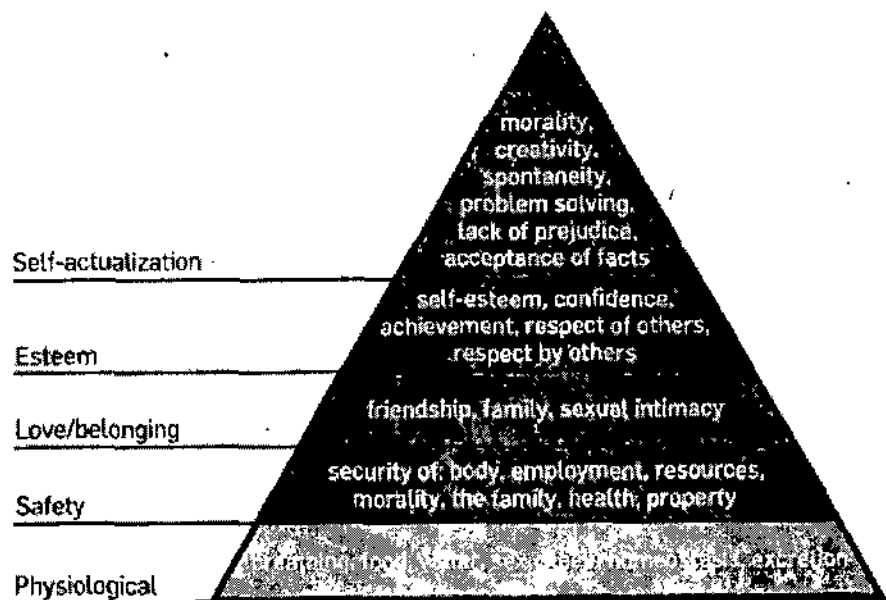
In Essentials of Organizational Behavior, Robbins and Judge examine recognition programs as motivators, and identify five principles that contribute to the success of an employee incentive program:

- Recognition of employees' individual differences, and clear identification of behavior deemed worthy of recognition
- Allowing employees to participate
- Linking rewards to performance
- Rewarding of nominators
- Visibility of the recognition process

UNIT – II

MASLOW'S HIERARCHY OF NEEDS

An interpretation of Maslow's hierarchy of needs, represented as a pyramid with the more basic needs at the bottom.



Maslow's hierarchy of needs is a theory in psychology, proposed by Abraham Maslow in his 1943 paper "A Theory of Human Motivation". Maslow subsequently extended the idea to include his observations of humans' innate curiosity.

Maslow studied what he called exemplary people such as Albert Einstein, Jane Addams, Eleanor Roosevelt, and Frederick Douglass rather than mentally ill or neurotic people, writing that "the study of crippled, stunted, immature, and unhealthy specimens can yield only a cripple psychology and a cripple philosophy." Maslow also studied the healthiest 1% of the college student population.

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REPRESENTATIONS

Maslow's hierarchy of needs represented in the shape of a pyramid, with the largest and lowest levels of needs at the bottom, and the need for self-actualization at the top.

Deficiency Needs

The lower four layers of the pyramid contain what Maslow called "deficiency needs" or "d-needs": physiological (including sexuality), security of position, friendship and love, and esteem. With the exception of the lowest (physiological) needs, if these "deficiency needs" are not met, the body gives no physical indication but the individual feels anxious and tense.

Physiological Needs

For the most part, physiological needs are obvious - they are the literal requirements for human survival. If these requirements are not met (with the exception of clothing and shelter), the human body simply cannot continue to function.

Physiological needs include:

- Breathing
- Food
- Sexual activity
- Homeostasis

Air, water, and food are metabolic requirements for survival in all animals, including humans. The intensity of the human sexual instinct is shaped more by sexual competition than maintaining a birth rate adequate to survival of the species. The theme of genetic heritage over survival is treated at length in *The Selfish Gene*.

The urge to have sex is so powerful that it can drain psychic energy away from other necessary goals. Therefore every culture has to invest great efforts in rechanneling and restraining it, and many complex social institutions exist only in order to regulate this urge. The saying that "love makes the world go round" is

a polite reference to the fact that most of our deeds are impelled, either directly or indirectly, by sexual needs. — Mihaly Csikszentmihalyi in *Flow: The Psychology of Optimal Experience*

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Safety Needs

With their physical needs relatively satisfied, the individual's safety needs take precedence and dominate behavior. These needs have to do with people's yearning for a predictable, orderly world in which injustice and inconsistency are under control, the familiar frequent and the unfamiliar rare. In the world of work, these safety needs manifest themselves in such things as a preference for job security, grievance procedures for protecting the individual from unilateral authority, savings accounts, insurance policies, and the like.

For most of human history many individuals have found their safety needs unmet, but As of 2009 "First World" societies provide most with their satisfaction, although the poor - both those who are poor as a class and those who are temporarily poor (university students would be an example) - must often still address these needs.

Safety and Security needs include:

- Personal security
- Financial security
- Health and well-being
- Safety net against accidents/illness and their adverse impacts

Social Needs

After physiological and safety needs are fulfilled, the third layer of human needs are social and involve feelings of belongingness. This aspect of Maslow's hierarchy involves emotionally-based relationships in general, such as:

- Friendship
- Intimacy
- Family

Humans need to feel a sense of belonging and acceptance, whether it comes from a large social group, such as clubs, office culture, religious groups, professional organizations, sports teams, gangs ("Safety in numbers"), or small social connections (family members, intimate partners, mentors, close colleagues, confidants). They need to love and be loved (sexually and non-sexually) by others. In the absence of these elements, many people become susceptible to loneliness, social anxiety, and clinical depression. This need for belonging can often overcome the physiological and security needs, depending on the strength of the peer pressure; an anorexic, for example, may ignore the need to eat and the security of health for a feeling of control and belonging.

Esteem

All humans have a need to be respected and to have self-esteem and self-respect. Also known as the belonging need, esteem presents the normal human desire to be accepted and valued by others. People need to engage themselves to gain recognition and have an activity or activities that give the person a sense of contribution, to feel accepted and self-valued, be it in a profession or hobby. Imbalances at this level can result in low self-esteem or an inferiority complex. *People with low self-esteem need respect from others. They may seek fame or glory, which again depends on others.* Note, however, that many people with low self-esteem will not be able to improve their view of themselves simply by receiving fame, respect, and glory externally, but must first accept themselves internally. Psychological imbalances such as depression can also prevent one from obtaining self-esteem on both levels.

Most people have a need for a stable self-respect and self-esteem. Maslow noted two versions of esteem needs, a lower one and a higher one. The lower one is the need for the respect of others, the need for status, recognition, fame, prestige, and attention. The higher one is the need for self-respect, the need for strength, competence, mastery, self-confidence, independence and freedom. The latter one ranks higher because it rests more on inner competence won through experience. Deprivation of these needs can lead to an inferiority complex, weakness and helplessness.

Maslow stresses the dangers associated with self-esteem based on fame and outer recognition instead of inner competence. He sees healthy self-respect as based on earned respect.

SELF-ACTUALIZATION

"What a man can be, he must be". This forms the basis of the perceived need for self-actualization. This level of need pertains to what a person's full potential is and realizing that potential. Maslow describes this desire as the desire to become more and more what one is, to become everything that one is capable of becoming. This is a broad definition of the need for self-actualization, but when applied to individuals the need is specific. For example one individual may have the strong desire to become an ideal parent, in another it may be expressed athletically, and in another it may be expressed in painting, pictures, or inventions. As mentioned before, in order to reach a clear understanding of this level of need one must first not only achieve the previous needs, physiological, safety, love, and esteem, but master these needs. Below are Maslow's descriptions of a self-actualized person's different needs and personality traits.

Maslow was a professor of Dr. Wayne Dyer. Dyer suggests that Maslow taught him two ways of understanding self-actualization: 1) To be free of the

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good opinion of others. 2) To do things not simply for the outcome but because it's the reason you are here on earth.

Acceptance

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A self-actualized person "can accept their own human nature in the stoic style, with all its shortcomings, with all its discrepancies from the ideal image without feeling real concern". This means that a self-actualized person can clearly see human nature in all its good and evil without the distortion from false social norms. Maslow uses basic animal acceptance to prove this point. He states that self-actualized people tend to be good and lusty animals, hearty in their appetites and enjoying them mightily without regret or shame. This involves a basic acceptance of nature and the way things are rather than trying to change things (for example: disgust with body functions or having a food aversion) to suit one's neuroses. This doesn't mean these people lack morals, guilt, shame, or anxiety; it means that they have the ability to remove all unnecessary forms of these processes.

Problem Centering

Most people, when thinking of problems in their life, focus on what affects them and their own problems and issues; this applies particularly to insecure people. Self-actualized persons focus not on themselves, but for some greater good. These people attack problems as a "task they must do" and are concerned with "the good of mankind in general".

The Need for Privacy

The self-actualized can be solitary, with no human contact, and do no harm to themselves. In fact most of the self-actualized like "solitude and privacy to a definitely greater degree than the average person". This gives them a level of detachment and an ability to remain calm and aloof even in situations where a personal problem or misfortune arises.

Morality and Discrimination Between Means and Ends

Maslow found that those who are self-actualized are very strong ethically. They have definite moral standards and do not experience the daily chaos of discerning right and wrong like most common people. When dealing with means and ends they have the ability to clearly distinguish between the two. Also, Maslow found that they enjoy the means to an end: unlike most people who just see it as a means and want to finish it as soon as possible. For example, driving to a destination annoys most people but a self-actualized person would enjoy the drive, the experience of travel. It is also in their ability to take the most trivial and mundane activities or objects and turn them into a game or perhaps a dance.

Sense of Humor

Maslow discovered that most self-actualized people do not have the same sense of humor as the average person. For example: they do not laugh at hostile

humor (hurting someone to laugh), superiority humor (laughing at someone's shortcomings), or authority-rebellion humor (laughing at unfunny, smutty jokes). A self-actualizing person's sense of humor relates to philosophy and finding humor in humans who forget their place in the universe or when they act foolishly. It doesn't attack people, rather states a message that happens to be funny. Self-actualized people don't merely tell jokes to laugh, but to send a message or educate; "akin to parables or fables".

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Imperfections

Discussion thus far may give the impression that a self-actualized person seems perfect and above any problems or shortcomings of the common man, but this is not true. Maslow even states it is a mistake to wish for perfection or expect perfection because it cannot be obtained. The self-actualized person also has basic human imperfections such as wasteful habits, vanity, pride, partiality to their family and friends, and temper outbursts. Maslow also discovers that, in the view of normal society, self-actualizing persons can appear quite ruthless. He attributes this to their strength and this makes it possible to make cold calculated decisions based on logic. For example a man who found his life-long, trusted friend was actually dishonest would end the friendship abruptly without any regret or any other emotional pangs (Maslow 229). This may seem brutal to the common man, but it just exemplifies the strength of the self-actualized person at work.

The Desires to Know and to Understand

This becomes the need after a person achieves self-actualization. Maslow understands the quest for knowledge can be the common man simply filling a basic need or the self-actualized man reaching his pinnacle, but these are only parts to the quest for knowledge not the entire picture. The list below shows Maslow's examples of when the quest for knowledge is to satisfy merely a curiosity and not merely to fill a lesser need:

1. Something like human curiosity can easily be observed in the higher animals. The monkey will pick things apart, will poke his finger into holes, will explore in all sorts of situations where it is improbable that hunger, fear, sex, comfort status, etc., are involved. Harlow's experiments (174) have amply demonstrated this in an acceptably experimental way.
2. The history of mankind supplies us with a satisfactory number of instances in which man looked for facts and created explanations in the face of the greatest danger, even to life itself. There have been innumerable humbler Galileos.
3. Studies of psychologically healthy people indicate that they are, as a defining characteristic, attracted to the mysterious, to the unknown, to

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the chaotic, unorganized, and unexplained. This seems to be a Per se attractiveness; these areas are in themselves and of their own right interesting. The contrasting reaction to the well known is one of boredom.

4. It may be found valid to extrapolate from the psychopathological. The compulsive-obsessive neurotic (and neurotic in general), Goldstein's brain-injured soldiers, Maier's fixated rats (285), all show (at the clinical level of observation) a compulsive and anxious clinging to the familiar and a dread of the unfamiliar, the anarchic, the unexpected, the un-domesticated. On the other hand, there are some phenomena that may turn out to nullify this possibility. Among these are forced-unconventionality, a chronic rebellion against any authority whatsoever, Bohemianism, the desire to shock and to startle, all of which may be found in certain neurotic individuals, as well as in those in the process of deacculturation.

Perhaps also relevant here are the perseverative detoxifications described in Chapter 10, which are, behaviorally at any rate, an attraction to the dreadful, to the not understood and to the mysterious.

5. Probably there are true psychopathological effects when the cognitive needs are frustrated (295, 314). The following clinical impressions are also pertinent.
6. I have seen a few cases in which it seemed clear to me that the pathology (boredom, loss of zest in life, self-dislike, general depression of the bodily functions, steady deterioration of the intellectual life, of tastes, etc.)⁸ were produced in intelligent people leading stupid lives in stupid jobs. I have at least one case in which the appropriate cognitive therapy (resuming parttime studies, getting a position that was more intellectually demanding, insight) removed the symptoms.

I have seen many women, intelligent, prosperous, and unoccupied, slowly develop these same symptoms of intellectual inanition. Those who followed my recommendation to immerse themselves in something worthy of them showed improvement or cure often enough to impress me with the reality of the cognitive needs. In those countries in which access to the news, to information, and to the facts were cut off, and in those where official theories were profoundly contradicted by obvious facts, at least some people responded with generalized cynicism, mistrust of all values, suspicion even of the obvious, a profound disruption of ordinary interpersonal relationships, hopelessness, loss of morale, etc. Others seem to have responded in the more passive direction with dullness, submission, loss of capacity, coarctation, and loss of initiative.

7. The needs to know and to understand are seen in late infancy and childhood, perhaps even more strongly than in adulthood. Furthermore

this seems to be a spontaneous product of maturation rather than of learning, however defined. Children do not have to be taught to be curious. But they may be taught, as by institutionalization, not to be curious, e.g., Goldfarb (158).

8. Finally, the gratification of the cognitive impulses is subjectively satisfying and yields end-experience. Though this aspect of insight and understanding has been neglected in favor of achieved results, learning, etc., it nevertheless remains true that insight is usually a bright, happy, emotional spot in any person's life, perhaps even a high spot in the life span. (Maslow 94-95)

Maslow also states that even though these are examples of how the quest for knowledge is separate from basic needs he warns that these "two hierarchies are interrelated rather than sharply separated" (Maslow 97). This means that this level of need as well as the next and highest level are not strict, separate, levels but closely related to others and this is possibly the reason that these two levels of need are left out of most textbooks.

HERZBERG THEORY OF MOTIVATION

The two-factor theory also known as Herzberg's motivation theory was developed by Frederick Herzberg, a psychologist who found that job satisfaction and job dissatisfaction acted independently of each other. The theory states that there are certain factors in the workplace that cause job satisfaction, while a separate set of factors cause dissatisfaction.

TWO-FACTOR THEORY FUNDAMENTALS

Attitudes and their connection with industrial mental health are related to Maslow's theory of motivation. His findings have had a considerable theoretical, as well as a practical, influence on attitudes toward administration. According to Herzberg, individuals are not content with the satisfaction of lower-order HOSPITAL needs at work; for example, those associated with minimum salary levels or safe and pleasant working conditions. Rather, individuals look for the gratification of higher-level psychological needs having to do with achievement, recognition, responsibility, advancement, and the nature of the work itself. So far, this appears to parallel Maslow's theory of a need hierarchy. However, Herzberg added a new dimension to this theory by proposing a two-factor model of motivation, based on the notion that the presence of one set of job characteristics or incentives lead to worker satisfaction at work, while another and separate set of job characteristics lead to dissatisfaction at work. Thus, satisfaction and dissatisfaction are not on a continuum with one increasing as the other diminishes, but are independent phenomena. This theory suggests that to improve job attitudes and productivity, administrators must recognize and attend to both sets

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of characteristics and not assume that an increase in satisfaction leads to decrease in unpleasurable dissatisfaction.

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The two-factor, or motivation-hygiene theory, developed from data collected by Herzberg from interviews with a large number of engineers and accountants in the Pittsburgh area. From analyzing these interviews, he found that job characteristics related to what an individual does — that is, to the nature of the work he performs — apparently have the capacity to gratify such needs as achievement, competency, status, personal worth, and self-realization, thus making him happy and satisfied. However, the absence of such gratifying job characteristics does not appear to lead to unhappiness and dissatisfaction. Instead, dissatisfaction results from unfavorable assessments of such job-related factors as company policies, supervision, technical problems, salary, interpersonal relations on the job, and working conditions. Thus, if management wishes to increase satisfaction on the job, it should be concerned with the nature of the work itself — the opportunities it presents for gaining status, assuming responsibility, and for achieving self-realization. If, on the other hand, management wishes to reduce dissatisfaction, then it must focus on the job environment — policies, procedures, supervision, and working conditions. If management is equally concerned with both (as is usually the case), then managers must give attention to both sets of job factors.

The theory was based around interviews with 203 American accountants & engineers in Pittsburgh, chosen because of their professions' growing importance in the business world. The subjects were asked to relate times when they felt exceptionally good or bad about their present job or any previous job, and to provide reasons, and a description of the sequence of events giving rise to that positive or negative feeling.

Here is the description of this interview analysis:

Briefly, we asked our respondents to describe periods in their lives when they were exceedingly happy and unhappy with their jobs. Each respondent gave as many "sequences of events" as he could which met certain criteria including a marked change in feeling, a beginning and an end, and contained some substantive description *other than feelings and interpretations...*

The proposed hypothesis appears verified. The factors on the right that led to satisfaction (achievement, intrinsic interest in the work, responsibility, and advancement) are mostly unipolar; that is, they contribute very little to job dissatisfaction. Conversely, the dissatisfiers (company policy and administrative practices, supervision, interpersonal relationships, working conditions, and salary) contribute very little to job satisfaction.

Two-factor theory distinguishes between:

- **Motivators** (e.g. challenging work, recognition, responsibility) which give positive satisfaction, arising from intrinsic conditions of the job itself, such as recognition, achievement, or personal growth, and
- **Hygiene factors** (e.g. status, job security, salary and fringe benefits) which do not give positive satisfaction, although dissatisfaction results from their absence. These are extrinsic to the work itself, and include aspects such as company policies, supervisory practices, or wages/salary.

Essentially, hygiene factors are needed to ensure an employee is not dissatisfied. Motivation factors are needed in order to motivate an employee to higher performance, Herzberg also further classified our actions and how and why we do them, for example, if you perform a work related action because you have to then that is classed as movement, but if you perform a work related action because you want to then that is classed as motivation.

Unlike Maslow, who offered little data to support his ideas, Herzberg and others have presented considerable empirical evidence to confirm the motivation-hygiene theory. Their work, however, has been criticized on methodological grounds. Nevertheless, Herzberg and his associates have rendered a valuable service to science and to management through their efforts to apply scientific methods to understanding complex motivational problems at work and have stimulated others to continue the search.

SUMMARY

1. Motivation is a process that starts with physiological or psychological urge or need. It activates a behavior or a drive that is aimed at a goal or incentive.
2. Intrinsic motivation comes from rewards inherent to a task or activity itself- the enjoyment of a puzzle or the love of playing.
3. Extrinsic motivation comes from outside of the performer. Money is the most obvious example, but coercion and threat of punishment are also common extrinsic motivations.
4. Drives and desires can be described as a deficiency or need that activates behaviour that is aimed at a goal or an incentive.
5. Maslow's hierarchy of needs is a theory in psychology, proposed by Abraham Maslow in his 1943 paper "A Theory of Human Motivation". Maslow subsequently extended the idea to include his observations of humans' innate curiosity.
6. The two-factor theory also known as Herzberg's motivation theory was developed by Frederick Herzberg, a psychologist who found that job satisfaction and job dissatisfaction acted independently of each other. The theory states that

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there are certain factors in the workplace that cause job satisfaction, while a separate set of factors cause dissatisfaction.

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REVIEW QUESTIONS

1. What do you understand by motivation? Discuss the motivation improving factors.
2. Distinguish between intrinsic and extrinsic motivation.
3. State cognitive dissonance theory of motivation.
4. How is concept of motivation applied in the field of education and business?
5. Discuss Maslow's hierarchy of needs.
6. What do you understand by two factor theory of motivation?

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CHAPTER – III

GROUP DYNAMICS

Group Dynamics

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STRUCTURE

- Introduction
- Group Types
- Stages of Group Development
- Group Structure
- Group Roles
 - Group Norms
 - Group Cohesiveness
- Group Decision Making
- Group Decision-making Methods
- Advantages and Disadvantages of Group Decision-making
- Summary
- Review Questions and Further Readings

LEARNING OBJECTIVES

After going through the unit, students will be able to:

- state the concepts of group;
- classify and explain the various types of group;
- explain the stages of development of group;
- discuss the concept of group decision-making.

INTRODUCTION

A group can be defined as several individuals who come together to accomplish a particular task or goal. Group dynamics refers to the attitudinal and behavioral characteristics of a group. Group dynamics concern how groups form, their structure and process, and how they function. Group dynamics are relevant in both formal and informal groups of all types. In an organizational setting, groups are a very common organizational entity and the study of groups and group dynamics is an important area of study in organizational behavior.

The following sections provide information related to group dynamics. Specifically, the formation and development of groups is first considered. Then some major types or classifications of groups are discussed. Then the structure of groups is examined.

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GROUP TYPES

One common way to classify group is by whether they are formal or informal in nature. Formal work groups are established by an organization to achieve organizational goals. Formal groups may take the form of command groups, task groups, and functional groups.

COMMAND GROUPS

Command groups are specified by the organizational chart and often consist of a supervisor and the subordinates that report to that supervisor. An example of a command group is an academic department chairman and the faculty members in that department.

TASK GROUPS

Task groups consist of people who work together to achieve a common task. Members are brought together to accomplish a narrow range of goals within a specified time period. Task groups are also commonly referred to as task forces. The organization appoints members and assigns the goals and tasks to be accomplished. Examples of assigned tasks are the development of a new product, the improvement of a production process, or the proposal of a motivational contest. Other common task groups are ad hoc committees, project groups, and standing committees. Ad hoc committees are temporary groups created to resolve a specific complaint or develop a process. Project groups are similar to ad hoc committees and normally disband after the group completes the assigned task. Standing committees are more permanent than ad hoc committees and project groups. They maintain longer life spans by rotating members into the group.

FUNCTIONAL GROUPS

A functional group is created by the organization to accomplish specific goals within an unspecified time frame. Functional groups remain in existence after achievement of current goals and objectives. Examples of functional groups would be a marketing department, a customer service department, or an accounting department.

In contrast to formal groups, informal groups are formed naturally and in response to the common interests and shared values of individuals. They are created for purposes other than the accomplishment of organizational goals and do not have a specified time frame. Informal groups are not appointed by the organization and members can invite others to join from time to time. Informal groups can have a strong influence in organizations that can either be positive or

negative. For example, employees who form an informal group can either discuss how to improve a production process or how to create shortcuts that jeopardize quality. Informal groups can take the form of interest groups, friendship groups, or reference groups.

INTEREST GROUPS

Interest groups usually continue over time and may last longer than general informal groups. Members of interest groups may not be part of the same organizational department but they are bound together by some other common interest. The goals and objectives of group interests are specific to each group and may not be related to organizational goals and objectives. An example of an interest group would be students who come together to form a study group for a specific class.

FRIENDSHIP GROUPS

Friendship groups are formed by members who enjoy similar social activities, political beliefs, religious values, or other common bonds. Members enjoy each other's company and often meet after work to participate in these activities. For example, a group of employees who form a friendship group may have an exercise group, a softball team, or a potluck lunch once a month.

REFERENCE GROUPS

A reference group is a type of group that people use to evaluate themselves. According to Cherrington, the main purposes of reference groups are social validation and social comparison. Social validation allows individuals to justify their attitudes and values while social comparison helps individuals evaluate their own actions by comparing themselves to others. Reference groups have a strong influence on members' behavior. By comparing themselves with other members, individuals are able to assess whether their behavior is acceptable and whether their attitudes and values are right or wrong. Reference groups are different from the previously discussed groups because they may not actually meet or form voluntarily. For example, the reference group for a new employee of an organization may be a group of employees that work in a different department or even a different organization. Family, friends, and religious affiliations are strong reference groups for most individuals.

STAGES OF GROUP DEVELOPMENT

As applied to group development, group dynamics is concerned with why and how groups develop. There are several theories as to why groups develop. A classic theory, developed by George Homans, suggests that groups develop based

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on activities, interactions, and sentiments. Basically, the theory means that when individuals share common activities, they will have more interaction and will develop attitudes (positive or negative) toward each other. The major element in this theory is the interaction of the individuals involved.

Social exchange theory offers an alternative explanation for group development. According to this theory, individuals form relationships based on the implicit expectation of mutually beneficial exchanges based on trust and felt obligation. Thus, a perception that exchange relationships will be positive is essential if individuals are to be attracted to and affiliate with a group.

Social identity theory offers another explanation for group formation. Simply put, this theory suggests that individuals get a sense of identity and self-esteem based upon their membership in salient groups. The nature of the group may be demographically based, culturally based, or organizationally based. Individuals are motivated to belong to and contribute to identity groups because of the sense of belongingness and self-worth membership in the group imparts.

Group dynamics as related to development concerns not only why groups form but also how. The most common framework for examining the "how" of group formation was developed by Bruce Tuckman in the 1960s. In essence, the steps in group formation imply that groups do not usually perform at maximum effectiveness when they are first established. They encounter several stages of development as they strive to become productive and effective. Most groups experience the same developmental stages with similar conflicts and resolutions.

According to Tuckman's theory, there are five stages of group development: forming, storming, norming, performing, and adjourning. During these stages group members must address several issues and the way in which these issues are resolved determines whether the group will succeed in accomplishing its tasks.

1. **Forming.** This stage is usually characterized by some confusion and uncertainty. The major goals of the group have not been established. The nature of the task or leadership of the group has not been determined (Luthans, 2005). Thus, forming is an orientation period when members get to know one another and share expectations about the group. Members learn the purpose of the group as well as the rules to be followed. The forming stage should not be rushed because trust and openness must be developed. These feelings strengthen in later stages of development. Individuals are often confused during this stage because roles are not clear and there may not be a strong leader.
2. **Storming.** In this stage, the group is likely to see the highest level of disagreement and conflict. Members often challenge group goals and struggle for power. Individuals often vie for the leadership position during

this stage of development. This can be a positive experience for all groups if members can achieve cohesiveness through resolution. Members often voice concern and criticism in this phase. If members are not able to resolve the conflict, then the group will often disband or continue in existence but will remain ineffective and never advance to the other stages.

3. **Norming.** This stage is characterized by the recognition of individual differences and shared expectations. Hopefully, at this stage the group members will begin to develop a feeling of group cohesion and identity. Cooperative effort should begin to yield results. Responsibilities are divided among members and the group decides how it will evaluate progress.
4. **Performing.** Performing, occurs when the group has matured and attains a feeling of cohesiveness. During this stage of development, individuals accept one another and conflict is resolved through group discussion. Members of the group make decisions through a rational process that is focused on relevant goals rather than emotional issues.
5. **Adjourning.** Not all groups experience this stage of development because it is characterized by the disbandment of the group. Some groups are relatively permanent (Luthans, 2005). Reasons that groups disband vary, with common reasons being the accomplishment of the task or individuals deciding to go their own ways. Members of the group often experience feelings of closure and sadness as they prepare to leave.

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UNIT – II

GROUP STRUCTURE

Group structure is a pattern of relationships among members that hold the group together and help it achieve assigned goals. Structure can be described in a variety of ways. Among the more common considerations are group size, group roles, group norms, and group cohesiveness.

GROUP SIZE

Group size can vary from 2 people to a very large number of people. Small groups of two to ten are thought to be more effective because each member has ample opportunity to participate and become actively involved in the group. Large groups may waste time by deciding on processes and trying to decide who should participate next. Group size will affect not only participation but satisfaction as well. Evidence supports the notion that as the size of the group increases, satisfaction increases up to a certain point. In other words, a group of six members has twice as many opportunities for interaction and participation as a group of

three people. Beyond 10 or 12 members, increasing the size of the group results in decreased satisfaction. It is increasingly difficult for members of large groups to identify with one another and experience cohesion.

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GROUP ROLES

In formal groups, roles are usually predetermined and assigned to members. Each role will have specific responsibilities and duties. There are, however, emergent roles that develop naturally to meet the needs of the groups. These emergent roles will often replace the assigned roles as individuals begin to express themselves and become more assertive. Group roles can then be classified into work roles, maintenance roles, and blocking roles.

Work roles are task-oriented activities that involve accomplishing the group's goals. They involve a variety of specific roles such as initiator, informer, clarifier, summarizer, and reality tester. The initiator defines problems, proposes action, and suggests procedures.

The informer role involves finding facts and giving advice or opinions. Clarifiers will interpret ideas, define terms, and clarify issues for the group. Summarizers restate suggestions, offer decisions, and come to conclusions for the group. Finally, reality testers analyze ideas and test the ideas in real situations.

Maintenance roles are social-emotional activities that help members maintain their involvement in the group and raise their personal commitment to the group. The maintenance roles are harmonizer, gatekeeper, consensus tester, encourager, and compromiser. The harmonizer will reduce tension in the group, reconcile differences, and explore opportunities. Gatekeepers often keep communication channels open and make suggestions that encourage participation. The consensus tester will ask if the group is nearing a decision and test possible conclusions. Encouragers are friendly, warm, and responsive to other group members. The last maintenance role is the compromiser. This role involves modifying decisions, offering compromises, and admitting errors.

Blocking roles are activities that disrupt the group. They make take the form of dominating discussions, verbally attacking other group members, and distracting the group with trivial information or unnecessary humor. Often times the blocking behavior may not be intended as negative. Sometimes a member may share a joke in order to break the tension, or may question a decision in order to force group members to rethink the issue. The blocking roles are aggressor, blocker, dominator, comedian, and avoidance behavior. The aggressor criticizes members' values and makes jokes in a sarcastic or semi-concealed manner.

Blockers will stubbornly resist the group's ideas, disagree with group members for personal reasons, and will have hidden agendas. The dominator role attempts to control conversations by patronizing others. They often interrupt

others and assert authority in order to manipulate members. Comedians often abandon the group even though they may physically still be a part. They are attention-getters in ways that are not relevant to the accomplishment of the group's objectives. The last blocking role, avoidance behavior, involves pursuing goals not related to the group and changing the subject to avoid commitment to the group.

Role ambiguity concerns the discrepancy between the sent role and the received role, as shown in Exhibit 1. Supervisors, directors, or other group leaders often send (assign) roles to group members in formal groups. Group members receive roles by being ready and willing to undertake the tasks associated with that role. Ambiguity results when members are confused about the delegation of job responsibilities. This confusion may occur because the members do not have specific job descriptions or because the instructions regarding the task were not clear. Group members who experience ambiguity often have feelings of frustration and dissatisfaction, which ultimately lead to turnover.

Role conflict occurs when there is inconsistency between the perceived role and role behavior. There are several different forms of role conflict. Interrole conflict occurs when there is conflict between the different roles that people have. For example, work roles and family roles often compete with one another and cause conflict. Intra-role conflict occurs when individuals must handle conflicting demands from different sources while performing the tasks associated with the same role.

GROUP NORMS

Norms are acceptable standards of behavior within a group that are shared by the members of the group. Norms define the boundaries of acceptable and unacceptable behavior. They are typically created in order to facilitate group survival, make behavior more predictable, avoid embarrassing situations, and express the values of the group. Each group will establish its own set of norms that might determine anything from the appropriate dress to how many comments to make in a meeting. Groups exert pressure on members to force them to conform to the group's standards. The norms often reflect the level of commitment, motivation, and performance of the group.

Performance norms determine how quickly members should work and how much they should produce. They are created in an effort to determine levels of individual effort. They can be very frustrating to managers because they are not always in line with the organization's goals. Members of a group may have the skill and ability to perform at higher levels but they don't because of the group's performance norms. For example, workers may stop working a

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production machine at 20 minutes before quitting time in order to wash up, even though they produced fewer items that day than management intended.

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Reward-allocation norms determine how rewards are bestowed upon group members. For example, the norm of equality dictates equal treatment of all members. Every member shares equally so rewards are distributed equally to everyone. Equity norms suggest that rewards are distributed according to the member's contribution. In other words, members who contribute the most receive the largest share of the rewards. Members may contribute through effort, skill, or ability. Social responsibility norms reward on the basis of need. Members who have special needs therefore receive the largest share of the reward.

The majority of the group must agree that the norms are appropriate in order for the behavior to be accepted. There must also be a shared understanding that the group supports the norms. It should be noted, however, that members might violate group norms from time to time. If the majority of members do not adhere to the norms, then they will eventually change and will no longer serve as a standard for evaluating behavior. Group members who do not conform to the norms will be punished by being excluded, ignored, or asked to leave the group.

GROUP COHESIVENESS

Cohesiveness refers to the bonding of group members and their desire to remain part of the group. Many factors influence the amount of group cohesiveness. Generally speaking, the more difficult it is to obtain group membership the more cohesive the group. Groups also tend to become cohesive when they are in intense competition with other groups or face a serious external threat to survival. Smaller groups and those who spend considerable time together also tend to be more cohesive.

Cohesiveness in work groups has many positive effects, including worker satisfaction, low turnover and absenteeism, and higher productivity. However, highly cohesive groups may be detrimental to organizational performance if their goals are misaligned with organizational goals. Highly cohesive groups may also be more vulnerable to groupthink. Groupthink occurs when members of a group exert pressure on each other to come to a consensus in decision making. Groupthink results in careless judgments, unrealistic appraisals of alternative courses of action, and a lack of reality testing. It can lead to a number of decision-making issues such as the following:

1. Incomplete assessments of the problem,
2. Incomplete information search,
3. Bias in processing information,
4. Inadequate development of alternatives, and

5. Failure to examine the risks of the preferred choice.

Evidence suggests that groups typically outperform individuals when the tasks involved require a variety of skills, experience, and decision making. Groups are often more flexible and can quickly assemble, achieve goals, and disband or move on to another set of objectives. Many organizations have found that groups have many motivational aspects as well. Group members are more likely to participate in decision-making and problem-solving activities leading to empowerment and increased productivity. Groups complete most of the work in an organization; thus, the effectiveness of the organization is limited by the effectiveness of its groups.

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GROUP DECISION MAKING

Group decision making is a type of participatory process in which multiple individuals acting collectively, analyze problems or situations, consider and evaluate alternative courses of action, and select from among the alternatives a solution or solutions. The number of people involved in group decision-making varies greatly, but often ranges from two to seven. The individuals in a group may be demographically similar or quite diverse. Decision-making groups may be relatively informal in nature, or formally designated and charged with a specific goal. The process used to arrive at decisions may be unstructured or structured. The nature and composition of groups, their size, demographic makeup, structure, and purpose, all affect their functioning to some degree. The external contingencies faced by groups (time pressure and conflicting goals) impact the development and effectiveness of decision-making groups as well.

In organizations many decisions of consequence are made after some form of group decision-making process is undertaken. However, groups are not the only form of collective work arrangement. Group decision-making should be distinguished from the concepts of teams, teamwork, and self managed teams. Although the words teams and groups are often used interchangeably, scholars increasingly differentiate between the two. The basis for the distinction seems to be that teams act more collectively and achieve greater synergy of effort. Katzenback and Smith spell out specific differences between decision making groups and teams:

- The group has a definite leader, but the team has shared leadership roles
- Members of a group have individual accountability; the team has both individual and collective accountability.
- The group measures effectiveness indirectly, but the team measures performance directly through their collective work product.
- The group discusses, decides, and delegates, but the team discusses, decides, and does real work.

GROUP DECISION MAKING METHODS

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There are many methods or procedures that can be used by groups. Each is designed to improve the decision-making process in some way. Some of the more common group decision-making methods are brainstorming, dialectical inquiry, nominal group technique, and the delphi technique.

BRAINSTORMING

Brainstorming involves group members verbally suggesting ideas or alternative courses of action. The "brainstorming session" is usually relatively unstructured. The situation at hand is described in as much detail as necessary so that group members have a complete understanding of the issue or problem. The group leader or facilitator then solicits ideas from all members of the group. Usually, the group leader or facilitator will record the ideas presented on a flip chart or marker board. The "generation of alternatives" stage is clearly differentiated from the "alternative evaluation" stage, as group members are not allowed to evaluate suggestions until all ideas have been presented. Once the ideas of the group members have been exhausted, the group members then begin the process of evaluating the utility of the different suggestions presented. Brainstorming is a useful means by which to generate alternatives, but does not offer much in the way of process for the evaluation of alternatives or the selection of a proposed course of action.

One of the difficulties with brainstorming is that despite the prohibition against judging ideas until all group members have had their say, some individuals are hesitant to propose ideas because they fear the judgment or ridicule of other group members. In recent years, some decision-making groups have utilized electronic brainstorming, which allows group members to propose alternatives by means of e-mail or another electronic means, such as an online posting board or discussion room. Members could conceivably offer their ideas anonymously, which should increase the likelihood that individuals will offer unique and creative ideas without fear of the harsh judgment of others.

DIALECTICAL INQUIRY

Dialectical inquiry is a group decision-making technique that focuses on ensuring full consideration of alternatives. Essentially, it involves dividing the group into opposing sides, which debate the advantages and disadvantages of proposed solutions or decisions. A similar group decision-making method, devil's advocacy, requires that one member of the group highlight the potential problems with a proposed decision. Both of these techniques are designed to try and make sure that the group considers all possible ramifications of its decision.

The nominal group technique is a structured decision making process in which *group members are required to compose a comprehensive list of their ideas or proposed alternatives in writing.* The group members usually record their ideas privately. Once finished, each group member is asked, in turn, to provide one item from their list until all ideas or alternatives have been publicly recorded on a flip chart or marker board. Usually, at this stage of the process verbal exchanges are limited to requests for clarification — no evaluation or criticism of listed ideas is permitted. Once all proposals are listed publicly, the group engages in a discussion of the listed alternatives, which ends in some form of ranking or rating in order of preference. As with brainstorming, the prohibition against criticizing proposals as they are presented is designed to overcome individuals' reluctance to share their ideas. Empirical research conducted on group decision making offers some evidence that the nominal group technique succeeds in generating a greater number of decision alternatives that are of relatively high quality.

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DELPHI TECHNIQUE

The Delphi technique is a group decision-making process that can be used by decision-making groups when the individual members are in different physical locations. The technique was developed at the Rand Corporation. The individuals in the Delphi "group" are usually selected because of the specific knowledge or expertise of the problem they possess. *In the Delphi technique, each group member is asked to independently provide ideas, input, and/or alternative solutions to the decision problem in successive stages.* These inputs may be provided in a variety of ways, such as e-mail, fax, or online in a discussion room or electronic bulletin board. After each stage in the process, other group members ask questions and alternatives are ranked or rated in some fashion. After an indefinite number of rounds, the group eventually arrives at a consensus decision on the best course of action.

ADVANTAGES AND DISADVANTAGES OF GROUP DECISION MAKING

The effectiveness of decision-making groups can be affected by a variety of factors. Thus, it is not possible to suggest that "group decision making is always better" or "group decision making is always worse" than individual decision-making. *For example, due to the increased demographic diversity in the workforce, a considerable amount of research has focused on diversity's effect on the effectiveness of group functioning.* In general, this research suggests that demographic diversity can sometimes have positive or negative effects, depending

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on the specific situation. Demographically diverse group may have to overcome social barriers and difficulties in the early stages of group formation and this may slow down the group. However, some research indicates that diverse groups, if effectively managed, tend to generate a wider variety and higher quality of decision alternatives than demographically homogeneous groups.

Despite the fact that there are many situational factors that affect the functioning of groups, research through the years does offer some general guidance about the relative strengths and weaknesses inherent in group decision making. The following section summarizes the major pros and cons of decision making in groups.

ADVANTAGES

Group decision-making, ideally, takes advantage of the diverse strengths and expertise of its members. By tapping the unique qualities of group members, it is possible that the group can generate a greater number of alternatives that are of higher quality than the individual. If a greater number of higher quality alternatives are generated, then it is likely that the group will eventually reach a superior problem solution than the individual.

Group decision-making may also lead to a greater collective understanding of the eventual course of action chosen, since it is possible that many affected by the decision implementation actually had input into the decision. This may promote a sense of "ownership" of the decision, which is likely to contribute to a greater acceptance of the course of action selected and greater commitment on the part of the affected individuals to make the course of action successful.

DISADVANTAGES

There are many potential disadvantages to group decision-making. Groups are generally slower to arrive at decisions than individuals, so sometimes it is difficult to utilize them in situations where decisions must be made very quickly. One of the most often cited problems is groupthink. Irving Janis, in his 1972 book *Victims of Groupthink*, defined the phenomenon as the "deterioration of mental efficiency, reality testing, and moral judgment resulting from in-group pressure." Groupthink occurs when individuals in a group feel pressure to conform to what seems to be the dominant view in the group. Dissenting views of the majority opinion are suppressed and alternative courses of action are not fully explored.

Research suggests that certain characteristics of groups contribute to groupthink. In the first place, if the group does not have an agreed upon process for developing and evaluating alternatives, it is possible that an incomplete set of alternatives will be considered and that different courses of action will not be

fully explored. Many of the formal decision-making processes (e.g., nominal group technique and brain-storming) are designed, in part, to reduce the potential for groupthink by ensuring that group members offer and consider a large number of decision alternatives. Secondly, if a powerful leader dominates the group, other group members may quickly conform to the dominant view. Additionally, if the group is under stress and/or time pressure, groupthink may occur. Finally, studies suggest that highly cohesive groups are more susceptible to groupthink.

Group polarization is another potential disadvantage of group decision-making. This is the tendency of the group to converge on more extreme solutions to a problem. The "risky shift" phenomenon is an example of polarization; it occurs when the group decision is a riskier one than any of the group members would have made individually. This may result because individuals in a group *sometimes do not feel as much responsibility and accountability* for the actions of the group as they would if they were making the decision alone.

Decision-making in groups is a fact of organizational life for many individuals. Because so many individuals spend at least some of their work time in decision-making groups, groups are the subjects of hundreds of research studies each year. Despite this, there is still much to learn about the development and functioning of groups. Research is likely to continue to focus on identifying processes that will make group decision-making more efficient and effective. It is also likely to examine how the internal characteristics of groups (demographic and cognitive diversity) and the external contingencies faced by groups affect their functioning.

SUMMARY

1. A group can be defined as several individuals who come together to accomplish a particular task or goal. Group dynamics refers to the attitudinal and behavioral characteristics of a group.
2. Command groups are specified by the organizational chart and often consist of a supervisor and the subordinates that report to that supervisor.
3. Task groups consist of people who work together to achieve a common task. Members are brought together to accomplish a narrow range of goals within a specified time period. Task groups are also commonly referred to as task forces.
4. A functional group is created by the organization to accomplish specific goals within an unspecified time frame. Functional groups remain in existence after achievement of current goals and objectives.
5. Interest groups usually continue over time and may last longer than general informal groups. Members of interest groups may not be part of the same organizational department but they are bound together by some other common interest.

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6. Friendship groups are formed by members who enjoy similar social activities, political beliefs, religious values, or other common bonds. Members enjoy each other's company and often meet after work to participate in these activities.

7. A reference group is a type of group that people use to evaluate themselves. According to Cherrington, the main purposes of reference groups are social validation and social comparison.

8. Group structure is a pattern of relationships among members that hold the group together and help it achieve assigned goals.

9. Norms are acceptable standards of behavior within a group that are shared by the members of the group. Norms define the boundaries of acceptable and unacceptable behavior.

10. Cohesiveness refers to the bonding of group members and their desire to remain part of the group. Many factors influence the amount of group cohesiveness.

11. Group decision making is a type of participatory process in which multiple individuals acting collectively, analyze problems or situations, consider and evaluate alternative courses of action, and select from among the alternatives a solution or solutions.

REVIEW QUESTIONS

1. How do you define a group?
2. What do you understand by task group and functional group?
3. Distinguish between interest group and friendship group.
4. Discuss the stages of development of group.
5. What is the ideal structure of a group? Explain.
6. State the important roles of group.
7. Write a short note on:
(i) Group norms (ii) Group cohesiveness
8. State any two methods of group decision making.

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CHAPTER – IV

LEADERSHIP

NOTES

STRUCTURE

- Introduction
- Definition and Framework of Leadership Perspectives
 - Leadership and Management
- Leadership Theories and Models
 - Trait Theory
 - Behavioural and Style Theory
 - Situational and Contingency Theory
 - Functional Theory (Functional Leadership Model)
 - Transactional and Transformational Theory
- Leadership Styles
- Nature and Reaction of Conflict
- Managing Conflict
- Summary
- Review Questions and Further Readings

LEARNING OBJECTIVES

After going through the unit, students will be able to:

- state the fundamental concepts of leadership;
- explain the theories and models of leadership;
- discuss the leadership style;
- know the nature of conflict and method to manage it.

INTRODUCTION

Most of us are familiar with the word 'leader'. The word leadership can refer to the process of leading, the concept of leading and those entities that perform one or more acts of leading. In our day to day life, leadership can be viewed as either actual or potential.

- Actual leader gives guidance or direction, as in the phrase "the emperor has provided satisfactory leadership".
- Potential leader has the capacity or ability to lead, as in the phrase "she could have exercised effective leadership"; or as implies in the concept "born to lead".

UNIT – I

Leadership

DEFINITION AND FRAMEWORK OF LEADERSHIP PERSPECTIVES

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Leadership can have a formal aspect (as in most political or business leadership) or an informal one (as in most friendships). The abstract term "leadership" usually implies that the entities doing the leading possess some "leadership skills" or competencies; while the term "leading" suggests action of leading.

Several types of entities may provide or exhibit leadership, actual or potential. Leadership emerges when an entity as "leader" contrives to receive deference from other entities who become "followers". The process of getting deference can become competitive in that the emerging "leader" draws "followers" from the factions of the prior or alternative "leaders".

In a democratic country, the people retain sovereignty (popular sovereignty) but delegate day-to-day administration and leadership to elected representatives.

Competence or perceived competence provides a possible basis for selecting leadership elites from a broader pool of potential talent. Political lobbying may prove necessary in electoral systems, but immediately demonstrated skill and character may secure leadership in smaller groups such as a service agency.

Many organizations and groups aim to identify, foster and promote what they see as leadership potential or ability - especially among younger members of society. The issues of succession planning or of legitimating a leader become important when leadership (particularly individual leadership) might or must change due to term-expiry, accident or senescence (growing old).

LEADRESHIP PERSPECTIVES

An organization that is established as an instrument or means for achieving defined objectives has been referred to as a formal organization. Its design specifies how goals are subdivided and reflected in subdivisions of the organization. Divisions, departments, sections, positions, jobs, and tasks make up this work structure. Thus, the formal organization is expected to behave impersonally in regard to relationships with clients or with its members. According to Weber's definition, entry and subsequent advancement is by merit or seniority. Each employee receives a salary and enjoys a degree of tenure that safeguards her/him from the arbitrary influence of superiors or of powerful clients. The higher his position in the hierarchy, the greater his presumed expertise in adjudicating problems that may arise in the course of the work carried out at lower levels of the organization. It is this bureaucratic structure that forms the basis for the

appointment of heads or chiefs of administrative subdivisions in the organization and endows them with the authority attached to their position.

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In contrast to the appointed head or chief of an administrative unit, a leader emerges within the context of the informal organization that underlies the formal structure. The informal organization expresses the personal objectives and goals of the individual membership. Their objectives and goals may or may not coincide with those of the formal organization. The informal organization represents an extension of the social structures that generally characterize human life — the spontaneous emergence of groups and organizations as ends in themselves.

In prehistoric times, humanity was preoccupied with personal security, maintenance, protection, and survival. Now humanity spends a major portion of waking hours working for organizations. Her/His need to identify with a community that provides security, protection, maintenance, and a feeling of belonging continues unchanged from prehistoric times. This need is met by the informal organization and its emergent, or unofficial, leaders.

Leaders emerge from within the structure of the informal organization. Their personal qualities, the demands of the situation, or a combination of these and other factors attract followers who accept their leadership within one or several overlay structures. Instead of the authority of position held by an appointed head or chief, the emergent leader wields influence or power. Influence is the ability of a person to gain co-operation from others by means of persuasion or control over rewards. Power is a stronger form of influence because it reflects a person's ability to enforce action through the control of a means of punishment.

A leader is a person who influences a group of people towards a specific result. It is not dependent on title or formal authority. (elevos, paraphrased from Leaders, Bennis, and Leadership Presence, Halpern & Lubar). Leaders are recognized by their capacity for caring for others, clear communication, and a commitment to persist. An individual who is appointed to a managerial position has the right to command and enforce obedience by virtue of the authority of his position. However, she or he must possess adequate personal attributes to match his authority, because authority is only potentially available to him. In the absence of sufficient personal competence, a manager may be confronted by an emergent leader who can challenge her/his role in the organization and reduce it to that of a figurehead. However, only authority of position has the backing of formal sanctions. It follows that whoever wields personal influence and power can legitimize this only by gaining a formal position in the hierarchy, with commensurate authority. Leadership can be defined as one's ability to get others to willingly follow. Every organization needs leaders at every level.

SCOPE OF LEADERSHIP

One can govern oneself, or one can govern the whole earth. In between, we may find leaders who operate primarily within families, bands, tribes, states, nations or empires.

In addition to these, we also find, for example, religious leaders (potentially with their own internal hierarchies), work-place leaders (executives, officers, senior/upper managers, middle managers, staff-managers, linemenagers, team-leaders, supervisors) and leaders of voluntary associations.

Believing that charisma and personality alone can work miracles, most leaders operate within a structure of supporters and groups of executives who carry out and monitor the expressed or filtered-down will of the leader. This undercutting the importance of leadership may serve as a reminder of the existence of the follower. A more or less formal bureaucracy can promote an *ordinary personality as an entirely effective leader*. Bureaucratic organizations can also raise incompetent people to levels of leadership. These leaders may build coalitions and alliances. Political parties abound with such leaders. Still others depend on rapport with the masses: they labor on the actual work place or stand in the front-line of battle, leading by example.

SUGGESTED QUALITIES OF LEADERSHIP

Studies of leadership have suggested qualities that people often associate with leadership. They include the following qualities.

- Guiding others through providing a role model and through willingness to serve others first
- Talent and technical/specific skill at some task at hand
- Initiative and entrepreneurial drive
- Charismatic inspiration - attractiveness to others and the ability to leverage this esteem to motivate others
- Preoccupation with a role - a dedication that consumes much of leaders' life - service to a cause
- A clear sense of purpose (or mission) - clear goals - focus - commitment
- Results-orientation - directing every action towards a mission - prioritizing activities to spend time where results most accrue
- Optimism - very few pessimists become leaders
- Rejection of determinism - belief in one's ability to "make a difference"
- Ability to encourage and nurture those that report to them - delegate in such a way as people will grow
- Role models - leaders may adopt a persona that encapsulates their mission and lead by example
- Self-knowledge (in non-bureaucratic structures)
- Self-awareness - the ability to "lead" (as it were) one's own self prior to leading other selves similarly
- With regards to people and to projects, the ability to choose winners -

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recognizing that, unlike with skills, one cannot (in general) teach attitude. Note that "picking winners" ("choosing winners") carries implications of gamblers' luck as well as of the capacity to take risks, but "true" leaders, like gamblers but unlike "false" leaders, base their decisions on realistic insight (and usually on many other factors partially derived from "real" wisdom).

- Understanding what others say, rather than listening to how they say things - this could partly sum this quality up as "walking in someone else's shoes" (to use a common cliché).

Situational leadership theory (Stodgill 1957) proceeds from the assumption that different situations call for different traits. According to this group of theories, no single optimal psychographic profile of a leader exists. It has been said that leadership behavior becomes a function not only of the characteristics of the leader, but of the characteristics of followers as well. Other situational leadership models introduce a variety of variables. These variables include

- the nature of the task (structured or routine)
- organizational policies, climate, and culture
- the preferences of the leader's superiors
- the expectations of peers
- the reciprocal responses of followers

Thus leadership is essentially about managing an organization on the basis of certain individual and situational qualities of managers. But there are several variants of leadership depending upon situation and kind of organization. An understanding of these various categories will help the managers of Adult Learning Centers to run these centers in an efficient way.

LEADERSHIP AND MANAGEMENT

Some commentators (for example, Cagner 1992) link leadership closely with the idea of management; some would even regard the two as synonymous. If one accepts this premise, one can view leadership as

- 1 centralized or decentralized
- 2 broad or focused
- 3 decision-oriented or morale centered
- 4 intrinsic or derived from some authority

Any of the bipolar labels traditionally ascribed to management style could also apply to leadership style. Hersey and Blanchard (1982) use this approach. They claim that management merely consists of leadership applied to business situations; or in other words: management forms a sub-set of the broader process of leadership. According to Hersey and Blanchard (1982: 3), "Leadership occurs

any time one attempts to influence the behavior of an individual or group, regardless of the reason. Management is a kind of leadership in which the achievement of organizational goals is paramount".

However, a clear distinction between management and leadership may nevertheless prove useful. This would allow for a reciprocal relationship between leadership and management, implying that an effective manager should possess leadership skills, and an effective leader should demonstrate management skills.

Zaleznik (1977) for example, delineated differences between leadership and management. He saw leaders as inspiring visionaries, concerned about substance; while he views managers as planners who have concerns with process. Bennis (1989) further explicated a dichotomy between managers and leaders. He drew the following twelve distinctions between the two groups.

- Managers administer, leaders innovate
- Managers ask how and when, leaders ask what and why
- Managers focus on systems, leaders focus on people
- Managers do things right, leaders do the right things
- Managers maintain, leaders develop
- Managers rely on control, leaders inspire trust
- Managers have a short-term perspective, leaders have a longerterm perspective
- Managers accept the status-quo, leaders challenge the status-quo
- Managers have an eye on the bottom line, leaders have an eye on the horizon
- Managers imitate, leaders originate
- Managers emulate the classic good soldier, leaders are their own person
- Managers copy, leaders show originality

Box 1 gives the various leadership styles. Working with a community, an adult educator is always looking for actual or potential leaders and learning about different styles of leadership can help in identifying actual or potential leaders in a community.

BOX 1 LEADERSHIP STYLES

Leadership styles may be of relevance to in a variety of situations where there is a requirement to manage others. Effective performance will depend on many factors including the organizational culture in which the individual is operating.

Directive Leader: Directive Leaders are characterized by having firm views about

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how and when things should be done. As such they leave little leeway for subordinates to display independence, believing that they should adhere to the methods and schedules as originally laid down. Having a high goal-orientation and being particularly concerned with results the Directive Leader will tend to closely monitor the behavior and performance of others. This may lead them to be perceived as a little cool and detached.

Delegative Leader: As the name suggests, the style of Delegative Leaders is characterized by delegating work to subordinates. Since their style is not strongly democratic, the process of delegation may not involve consultation. As a result, subordinates will generally be assigned work rather than have active input into how projects should be conducted.

Participative Leader: Participative leaders are primarily concerned with getting the best out of a team as a whole. Hence, they encourage contributions from all members of a team and believe that by pooling ideas and coming to a consensus view the best solutions to problems will naturally arise.

Consultative Leader: The Consultative Leadership Style combines elements of both democratic and directive leadership orientations. They value group discussion and tend to encourage contributions from the separate members of the team. However, although group discussions will be largely democratic in nature, Consultative Leaders typically make the final decision as to which of the varying proposals should be accepted.

Negotiative Leader: Negotiative Leaders motivate subordinates by encouraging them, through incentives etc., to work towards common objectives. Hence, through a process of negotiation attempts will be made to arrive at some mutually equitable arrangement with the other members of the team so as to motivate them to work in a particular way. Negotiative Leaders tend to rely on their skills of persuasion to achieve their stated goals.

UNIT – II

LEADERSHIP THEORIES AND MODELS

Students of leadership have produced theories involving traits, situational interaction, function, behavior, power, vision and values, charisma, and intelligence among others.

TRAIT THEORY

Trait theory tries to describe the characteristics associated with effective leadership.

Early History

The search for the characteristics or traits of leaders has been ongoing for centuries. History's greatest philosophical writings from Plato's Republic to Plutarch's Lives have explored the question of "What qualities distinguish an individual as a leader?" Underlying this search was the early recognition of the importance of leadership and the assumption that leadership is rooted in the characteristics that certain individuals possess. This idea that leadership is based on individual attributes is known as the "trait theory of leadership."

This view of leadership, the trait theory, was explored at length in a number of works in the previous century. Most notable are the writings of Thomas Carlyle and Francis Galton, whose works have prompted decades of research. In *Heroes and Hero Worship* (1841), Carlyle identified the talents, skills, and physical characteristics of men who rose to power. In Galton's (1869) *Hereditary Genius*, he examined leadership qualities in the families of powerful men. After showing that the numbers of eminent relatives dropped off when moving from first degree to second degree relatives, Galton concluded that leadership was inherited. In other words, leaders were born, not developed. Both of these notable works lent great initial support for the notion that leadership is rooted in characteristics of the leader.

For decades, this trait-based perspective dominated empirical and theoretical work in leadership. Using early research techniques, researchers conducted over a hundred studies proposing a number of characteristics that distinguished leaders from nonleaders: intelligence, dominance, adaptability, persistence, integrity, socioeconomic status, and self-confidence just to name a few.

The Rise of Alternative Leadership Theories

In the late 1940s and early 1950s, however, a series of qualitative reviews of these studies (e.g., Bird, 1940; Stogdill, 1948; Mann, 1959) prompted researchers to take a drastically different view of the driving forces behind leadership. In reviewing the extant literature, Stogdill and Mann found that while some traits were common across a number of studies, the overall evidence suggested that persons who are leaders in one situation may not necessarily be leaders in other situations. Subsequently, leadership was no longer characterized as an enduring individual trait, as situational approaches (see alternative leadership theories below) posited that individuals can be effective in certain situations, but not others. This approach dominated much of the leadership theory and research for the next few decades.

The Reemergence of the Trait Theory

New methods and measurements were developed after these influential reviews that would ultimately reestablish the trait theory as a viable approach to the study of leadership. For example, improvements in researchers' use of the

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round robin research design methodology allowed researchers to see that individuals can and do emerge as leaders across a variety of situations and tasks. Additionally, during the 1980s statistical advances allowed researchers to conduct meta-analyses, in which they could quantitatively analyze and summarize the findings from a wide array of studies. This advent allowed trait theorists to create a comprehensive and parsimonious picture of previous leadership research rather than rely on the qualitative reviews of the past. Equipped with new methods, leadership researchers revealed the following:

- Individuals can and do emerge as leaders across a variety of situations and tasks
- Significant relationships exist between leadership and such individual traits as:
 - intelligence
 - adjustment
 - extraversion
 - conscientiousness
 - openness to experience
 - general self-efficacy

CURRENT CRITICISMS OF THE TRAIT THEORY

While the trait theory of leadership has certainly regained popularity, its reemergence has not been accompanied by a corresponding increase in sophisticated conceptual frameworks.

Specifically, Zaccaro (2007) noted that trait theories still:

1. Focus on a small set of individual attributes such as Big Five personality traits, to the neglect of cognitive abilities, motives, values, social skills, expertise, and problem-solving skills
2. Fail to consider patterns or integrations of multiple attributes
3. Do not distinguish between those leader attributes that are generally not malleable over time and those that are shaped by, and bound to, situational influences
4. Do not consider how stable leader attributes account for the behavioral diversity necessary for effective leadership

LEADER ATTRIBUTE PATTERN APPROACH

Considering the criticisms of the trait theory outlined above, several researchers have begun to adopt a different perspective of leader individual differences - the leader attribute pattern approach. In contrast to the traditional

approach, the leader attribute pattern approach is based on theorists' arguments that the influence of individual characteristics on outcomes is best understood by considering the person as an integrated totality rather than a summation of individual variables. In other words, the leader attribute pattern approach argues that integrated constellations or combinations of individual differences may explain substantial variance in both leader emergence and leader effectiveness beyond that explained by single attributes, or by additive combinations of multiple attributes.

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BEHAVIORAL AND STYLE THEORIES

In response to the early criticisms of the trait approach, theorists began to research leadership as a set of behaviors, evaluating the behavior of 'successful' leaders, determining a behavior taxonomy and identifying broad leadership styles. David McClelland, for example, Leadership takes a strong personality with a well developed positive ego. Not so much as a pattern of motives, but a set of traits is crucial. To lead; self-confidence and a high self-esteem is useful, perhaps even essential.

Kurt Lewin, Ronald Lipitt, and Ralph White developed in 1939 the seminal work on the influence of leadership styles and performance. The researchers evaluated the performance of groups of eleven-year-old boys under different types of work climate. In each, the leader exercised his influence regarding the type of group decision making, praise and criticism (feedback), and the management of the group tasks (project management) according to three styles: (1) authoritarian, (2) democratic and (3) laissez-faire. Authoritarian climates were characterized by leaders who make decisions alone, demand strict compliance to his orders, and dictate each step taken; future steps were uncertain to a large degree. The leader is not necessarily hostile but is aloof from participation in work and commonly offers personal praise and criticism for the work done. Democratic climates were characterized by collective decision processes, assisted by the leader. Before accomplishing tasks, perspectives are gained from group discussion and technical advice from a leader. Members are given choices and collectively decide the division of labor. Praise and criticism in such an environment are objective, fact minded and given by a group member without necessarily having participated extensively in the actual work. Laissez faire climates gave freedom to the group for policy determination without any participation from the leader. The leader remains uninvolved in work decisions unless asked, does not participate in the division of labor, and very infrequently gives praise. The results seemed to confirm that the democratic climate was preferred.

The managerial grid model is also based on a behavioral theory. The model was developed by Robert Blake and Jane Mouton in 1964 and suggests five different

leadership styles, based on the leaders' concern for people and their concern for goal achievement.

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SITUATIONAL AND CONTINGENCY THEORIES

Situational theory also appeared as a reaction to the trait theory of leadership. Social scientists argued that history was more than the result of intervention of great men as Carlyle suggested. Herbert Spencer (1884) said that the times produce the person and not the other way around. This theory assumes that different situations call for different characteristics; according to this group of theories, no single optimal psychographic profile of a leader exists. According to the theory, "what an individual actually does when acting as a leader is in large part dependent upon characteristics of the situation in which he functions."

Some theorists started to synthesize the trait and situational approaches. Building upon the research of Lewin et al., academics began to normalize the descriptive models of leadership climates, defining three leadership styles and identifying in which situations each style works better. The authoritarian leadership style, for example, is approved in periods of crisis but fails to win the "hearts and minds" of their followers in the day-to-day management; the democratic leadership style is more adequate in situations that require consensus building; finally, the laissez faire leadership style is appreciated by the degree of freedom it provides, but as the leader does not "take charge", he can be perceived as a failure in protracted or thorny organizational problems. Thus, theorists defined the style of leadership as contingent to the situation, which is sometimes classified as contingency theory. Four contingency leadership theories appear more prominently in the recent years: Fiedler contingency model, Vroom-Yetton decision model, the path-goal theory, and the Hersey-Blanchard situational theory.

The Fiedler contingency model bases the leader's effectiveness on what Fred Fiedler called situational contingency. This results from the interaction of leadership style and situational favorableness (later called "situational control"). The theory defined two types of leader: those who tend to accomplish the task by developing good-relationships with the group (relationship-oriented), and those who have as their prime concern carrying out the task itself (task-oriented). According to Fiedler, there is no ideal leader.

Both task-oriented and relationship-oriented leaders can be effective if their leadership orientation fits the situation. When there is a good leader-member relation, a highly structured task, and high leader position power, the situation is considered a "favorable situation". Fiedler found that task-oriented leaders are more effective in extremely favourable or unfavourable situations, whereas relationship-oriented leaders perform best in situations with intermediate favourability.

Victor Vroom, in collaboration with Phillip Yetton (1973) and later with Arthur Jago (1988), developed a taxonomy for describing leadership situations, taxonomy that was used in a normative decision model where leadership styles were connected to situational variables, defining which approach was more suitable to which situation. This approach was novel because it supported the idea that the same manager could rely on different group decision making approaches depending on the attributes of each situation. This model was later referred as situational contingency theory.

The path-goal theory of leadership was developed by Robert House (1971) and was based on the expectancy theory of Victor Vroom. According to House, the essence of the theory is "the meta proposition that leaders, to be effective, engage in behaviors that complement subordinates' environments and abilities in a manner that compensates for deficiencies and is instrumental to subordinate satisfaction and individual and work unit performance. The theory identifies four leader behaviors, achievement-oriented, directive, participative, and supportive, that are contingent to the environment factors and follower characteristics. In contrast to the Fiedler contingency model, the path-goal model states that the four leadership behaviors are fluid, and that leaders can adopt any of the four depending on what the situation demands. The path-goal model can be classified both as a contingency theory, as it depends on the circumstances, but also as a transactional leadership theory, as the theory emphasizes the reciprocity behavior between the leader and the followers.

The situational leadership model proposed by Hersey and Blanchard suggests four leadership-styles and four levels of follower-development. For effectiveness, the model posits that the leadership-style must match the appropriate level of followership-development. In this model, leadership behavior becomes a function not only of the characteristics of the leader, but of the characteristics of followers as well.

FUNCTIONAL THEORY (FUNCTIONAL LEADERSHIP MODEL)

Functional leadership theory (Hackman & Walton, 1986; McGrath, 1962) is a particularly useful theory for addressing specific leader behaviors expected to contribute to organizational or unit effectiveness. This theory argues that the leader's main job is to see that whatever is necessary to group needs is taken care of; thus, a leader can be said to have done their job well when they have contributed to group effectiveness and cohesion (Fleishman et al., 1991; Hackman & Wageman, 2005; Hackman & Walton, 1986). While functional leadership theory has most often been applied to team leadership (Zaccaro, Rittman, & Marks, 2001), it has also been effectively applied to broader organizational leadership as well (Zaccaro, 2001). In summarizing literature on functional leadership (see Kozlowski et al.

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(1996), Zaccaro et al. (2001), Hackman and Walton (1986), Hackman & Wageman (2005), Morgeson (2005)), Klein, Zeigert, Knight, and Xiao (2006) observed five broad functions a leader performs when promoting organisation's effectiveness. These functions include: (1) environmental monitoring, (2) organizing subordinate activities, (3) teaching and coaching subordinates, (4) motivating others, and (5) intervening actively in the group's work.

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A variety of leadership behaviors are expected to facilitate these functions. In initial work identifying leader behavior, Fleishman (1953) observed that subordinates perceived their supervisors' behavior in terms of two broad categories referred to as consideration and initiating structure. Consideration includes behavior involved in fostering effective relationships. Examples of such behavior would include showing concern for a subordinate or acting in a supportive manner towards others. Initiating structure involves the actions of the leader focused specifically on task accomplishment. This could include role clarification, setting performance standards, and holding subordinates accountable to those standards.

TRANSACTIONAL AND TRANSFORMATIONAL THEORIES

The transactional leader (Burns, 1978) is given power to perform certain tasks and reward or punish for the team's performance. It gives the opportunity to the manager to lead the group and the group agrees to follow his lead to accomplish a predetermined goal in exchange for something else. Power is given to the leader to evaluate, correct and train subordinates when productivity is not up to the desired level and reward effectiveness when expected outcome is reached.

The transformational leader (Burns, 1978) motivates its team to be effective and efficient. Communication is the base for goal achievement focusing the group on the final desired outcome or goal attainment. This leader is highly visible and uses chain of command to get the job done. Transformational leaders focus on the big picture, needing to be surrounded by people who take care of the details. The leader is always looking for ideas that move the organization to reach the company's vision.

LEADERSHIP AND EMOTIONS

Leadership can be perceived as a particularly emotion-laden process, with emotions entwined with the social influence process. In an organization, the leaders' mood has some effects on his/her group. These effects can be described in 3 levels:

1. The mood of individual group members. Group members with leaders in a positive mood experience more positive mood than do group members with leaders in a negative mood. The leaders transmit their moods to other

group members through the mechanism of emotional contagion. Mood contagion may be one of the psychological mechanisms by which charismatic leaders influence followers.

2. The affective tone of the group. Group affective tone represents the consistent or homogeneous affective reactions within a group. Group affective tone is an aggregate of the moods of the individual members of the group and refers to mood at the group level of analysis. Groups with leaders in a positive mood have a more positive affective tone than do groups with leaders in a negative mood.
3. Group processes like coordination, effort expenditure, and task strategy. Public expressions of mood impact how group members think and act. When people experience and express mood, they send signals to others. Leaders signal their goals, intentions, and attitudes through their expressions of moods. For example, expressions of positive moods by leaders signal that leaders deem progress toward goals to be good. The group members respond to those signals cognitively and behaviorally in ways that are reflected in the group processes.

In research about client service, it was found that expressions of positive mood by the leader improve the performance of the group, although in other sectors there were other findings.

Beyond the leader's mood, her/his behavior is a source for employee positive and negative emotions at work. The leader creates situations and events that lead to emotional response. Certain leader behaviors displayed during interactions with their employees are the sources of these affective events. Leaders shape workplace affective events. Examples – feedback giving, allocating tasks, resource distribution. Since employee behavior and productivity are directly affected by their emotional states, it is imperative to consider employee emotional responses to organizational leaders. Emotional intelligence, the ability to understand and manage moods and emotions in the self and others, contributes to effective leadership in organizations. Leadership is about being responsible.

NEO-EMERGENT THEORY

The Neo-emergent leadership theory (from the Oxford school of leadership) espouses that leadership is created through the emergence of information by the leader or other stakeholders, not through the true actions of the leader himself. In other words, the reproduction of information or stories form the basis of the perception of leadership by the majority. It well known that the great naval hero Lord Nelson often wrote his own versions of battles he was involved in, so that when he arrived home in England he would receive a true hero's welcome. In modern society, the press, blogs and other sources report their own views of a

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leader which may be based on reality, but may also be based on a political command, a payment or an inherent interest of the author, media or leader. Therefore, it can be contended that the perception of all leaders is created and in fact does not reflect their true leadership qualities at all.

ENVIRONMENTAL LEADERSHIP THEORY

The Environmental leadership model (Carmazzi) describes leadership from a Group dynamics perspective incorporating group psychology and self awareness to nurture "Environments" that promote self sustaining group leadership based on personal emotional gratification from the activities of the group. The Environmental Leader creates the psychological structure by which employees can find and attain this gratification through work or activity.

It stems from the idea that each individual has various environments that bring out different facets from their own Identity, and each facet is driven by emotionally charged perceptions within each environment... The Environmental Leader creates a platform through education and awareness where individuals fill each others emotional needs and become more conscious of when, and how they affect personal and team emotional gratifications. This is accomplished by knowing why people "react" to their environment instead of act intelligently.

"Environmental Leadership is not about changing the mindset of the group or individual, but in the cultivation of an environment that brings out the best and inspires the individuals in that group. It is not the ability to influence others to do something they are not committed to, but rather to nurture a culture that motivates and even excites individuals to do what is required for the benefit of all. It is not carrying others to the end result, but setting the surrounding for developing qualities in them to so they may carry each other." Carmazzi

The role of an Environmental Leader is to instill passion and direction to a group and the dynamics of that group. This leader implements a psychological support system within a group that fills the emotional and developmental needs of the group.

LEADERSHIP STYLES

Leadership style refers to a leader's behaviour. It is the result of the philosophy, personality and experience of the leader.

KURT LEWIN'S LEADERSHIP STYLES

Kurt Lewin and colleagues identified different styles of leadership:

- Dictator
- Autocratic
- Participative
- Laissez Faire

AUTOCRATIC OR AUTHORITARIAN LEADERS

Under the autocratic leadership style, all decision-making powers are centralized in the leader, as with dictator leaders.

They do not entertain any suggestions or initiatives from subordinates. The autocratic management has been successful as it provides strong motivation to the manager. It permits quick decision-making, as only one person decides for the whole group and keeps each decision to themselves until they feel it is needed by the rest of the group. An autocratic leader does not trust anybody.

PARTICIPATIVE OR DEMOCRATIC LEADERS

The democratic leadership style favors decision-making by the group as shown, such as leader gives instruction after consulting the group.

They can win the cooperation of their group and can motivate them effectively and positively. The decisions of the democratic leader are not unilateral as with the autocrat because they arise from consultation with the group members and participation by them.

LAISSEZ FAIRE OR FREE REIN LEADERS

A free rein leader does not lead, but leaves the group entirely to itself as shown; such a leader allows maximum freedom to subordinates.

They are given a freehand in deciding their own policies and methods.

Different situations call for different leadership styles. In an emergency when there is little time to converge on an agreement and where a designated authority has significantly more experience or expertise than the rest of the team, an autocratic leadership style may be most effective; however, in a highly motivated and aligned team with a homogeneous level of expertise, a more democratic or laissez faire style may be more effective. The style adopted should be that which most effectively achieves the objectives of the group while balancing the interests of its individual members.

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UNIT – III

(CONFLICT)

Conflict is actual or perceived opposition of needs, values and interests. A conflict can be internal (within oneself) to individuals. Conflict as a concept can help explain many aspects of social life such as social disagreement, conflicts of interests, and fights between individuals, groups, or organizations. In political terms, "conflict" can refer to wars, revolutions or other struggles, which may involve the use of force as in the term armed conflict. Without proper social

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arrangement or resolution, conflicts in social settings can result in stress or tensions among stakeholders. When an interpersonal conflict does occur, its effect is often broader than two individuals involved, and can affect many associate individuals and relationships, in more or less adverse, and sometimes even way.

NATURE AND REACTION OF CONFLICT

Conflict as taught for graduate and professional work in conflict resolution (which can be win-win, where both parties get what they want, win-lose where one party gets what they want, or lose-lose where both parties don't get what they want) commonly has the definition: "when two or more parties, with perceived incompatible goals, seek to undermine each other's goal-seeking capability".

A clash of interests, values, actions or directions often sparks a conflict. Conflicts refer to the existence of that clash. Psychologically, a conflict exists when the reduction of one motivating stimulus involves an increase in another, so that a new adjustment is demanded. The word is applicable from the instant that the clash occurs. Even when we say that there is a potential conflict we are implying that there is already a conflict of direction even though a clash may not yet have occurred.

PHASES OF CONFLICT

- **Prelude to Conflict:** Variables that make conflict possible between those involved
- **Triggering Event:** A particular event, such as criticism which creates the conflict
- **Initiation Phase:** Occurs when at least one person makes it known to the other that a conflict exists
- **Differentiation Phase:** Parties raise the conflict issues and pursue reasons for the varying positions
- **Integration stage/Resolution:** Parties acknowledge common grounds and explore possibilities to move towards a solution

TYPES OF CONFLICT

A conceptual conflict can escalate into a verbal exchange and/or result in fighting. Conflict can exist at a variety of levels of analysis:

- community conflict
- diplomatic conflict
- economic conflict
- emotional conflict

- environmental resources conflict
- external conflict
- group conflict
- ideological conflict
- international conflict
- interpersonal conflict
- intersocietal conflict
- intrastate conflict (for example: civil wars, election campaigns)
- intrapersonal conflict (though this usually just gets delegated out to psychology)
- organizational conflict
- intra-societal conflict
- military conflict
- religious-based conflict (for example: Center For Reduction of Religious-Based Conflict).
- workplace conflict
- data conflict
- relationship conflict
- racial conflict

Conflicts in these levels may appear "nested" in conflicts residing at larger levels of analysis. For example, conflict within a work team may play out the dynamics of a broader conflict in the organization as a whole. (See Marie Dugan's article on Nested Conflict. John Paul Lederach has also written on this.) Theorists have claimed that parties can conceptualize responses to conflict according to a two-dimensional scheme; concern for one's own outcomes and concern for the outcomes of the other party. This scheme leads to the following hypotheses:

- High concern for both one's own and the other party's outcomes leads to attempts to find mutually beneficial solutions.
- High concern for one's own outcomes only leads to attempts to "win" the conflict.
- High concern for the other party's outcomes only leads to allowing the other to "win" the conflict.
- No concern for either side's outcomes leads to attempts to avoid the conflict.

Often a group finds itself in conflict over facts, goals, methods or values. It is critical that it properly identify the type of conflict it is experiencing if it hopes to manage the conflict through to resolution. For example, a group will often treat an assumption as a fact.

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The more difficult type of conflict is when values are the root cause. It is more likely that a conflict over facts, or assumptions, will be resolved than one over values. It is extremely difficult to "prove" that a value is "right" or "correct". In some instances, a group will benefit from the use of a facilitator or process consultant to help identify the specific type of conflict. Practitioners of nonviolence have developed many practices to solve social and political conflicts without resorting to violence or coercion.

Conflict can arise between several characters and there can be more than one in a story or plot line. The little plot lines usually enhance the main conflict.

Conflict also defines as natural disagreement resulting from individuals or groups that differ in beliefs, attitudes, values or needs. It can also originate from past rivalries and personality differences. Other causes of conflict include trying to negotiate before the timing is right or before needed information is available. The following are the causes of conflict:

- communication failure
- personality conflict
- value differences
- goal differences
- methodological differences
- substandard performance
- lack of cooperation
- differences regarding authority
- differences regarding responsibility
- competition over resources
- non-compliance with rules (LO)

A definition of a conflict can be the subject of legal action has three invariants:

- legal
- technical
- emotional

MANAGING CONFLICT

Five basic ways of addressing conflict were identified by Thomas and Kilman in 1976:

- **Accommodation** – surrender one's own needs and wishes to accommodate the other party.
- **Avoidance** – avoid or postpone conflict by ignoring it, changing the subject, etc. Avoidance can be useful as a temporary measure to buy time or as an expedient means of dealing with very minor, non-recurring

conflicts. In more severe cases, conflict avoidance can involve severing a relationship or leaving a group.

- **Collaboration** – work together to find a mutually beneficial solution. While the Thomas Kilman grid views collaboration as the only win-win solution to conflict, collaboration can also be time-intensive and inappropriate when there is not enough trust, respect or communication among participants for collaboration to occur.
- **Compromise** – bring the problem into the open and have the third person present. The aim of conflict resolution is to reach agreement and most often this will mean compromise.
- **Competition** – assert one's viewpoint at the potential expense of another. It can be useful when achieving one's objectives outweighs one's concern for the relationship.

The Thomas Kilmann Instrument can be used to assess one's dominant style for addressing conflict. those are the conflicts

Conflict management refers to the long-term management of intractable conflicts. It is the label for the variety of ways by which people handle grievances—standing up for what they consider to be right and against what they consider to be wrong. Those ways include such diverse phenomena as gossip, ridicule, lynching, terrorism, warfare, feuding, genocide, law, mediation, and avoidance. Which forms of conflict management will be used in any given situation can be somewhat predicted and explained by the social structure—or social geometry—of the case.

Conflict management is often considered to be distinct from conflict resolution. In order for actual conflict to occur, there should be an expression of exclusive patterns, and tell why the conflict was expressed the way it was. Conflict is not just about simple inaptness, but is often connected to a previous issue. The latter refers to resolving the dispute to the approval of one or both parties, whereas the former concerns an ongoing process that may never have a resolution. Neither is it considered the same as conflict transformation, which seeks to reframe the positions of the conflict parties.

COUNSELING

When personal conflict leads to frustration and loss of efficiency, counseling may prove to be a helpful antidote. Although few organizations can afford the luxury of having professional counselors on the staff, given some training, managers may be able to perform this function. Nondirective counseling, or "listening with understanding", is little more than being a good listener—something every manager should be.

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Sometimes the simple process of being able to vent one's feelings—that is, to express them to a concerned and understanding listener, is enough to relieve frustration and make it possible for the frustrated individual to advance to a problem-solving frame of mind, better able to cope with a personal difficulty that is affecting his work adversely. The nondirective approach is one effective way for managers to deal with frustrated subordinates and co-workers.

There are other more direct and more diagnostic ways that might be used in appropriate circumstances. The great strength of the nondirective approach (nondirective counseling is based on the client-centered therapy of Carl Rogers), however, lies in its simplicity, its effectiveness, and the fact that it deliberately avoids the manager-counselor's diagnosing and interpreting emotional problems, which would call for special psychological training. No one has ever been harmed by being listened to sympathetically and understandingly. On the contrary, this approach has helped many people to cope with problems that were interfering with their effectiveness on the job.

SUMMARY

1. The word leadership can refer to the process of leading, the concept of leading and those entities that perform one or more acts of leading. In our day to day life, leadership can be viewed as either actual or potential.
2. Leadership can have a formal aspect (as in most political or business leadership) or an informal one (as in most friendships).
3. Trait theory tries to describe the characteristics associated with effective leadership.
4. Functional leadership theory (Hackman & Walton, 1986; McGrath, 1962) is a particularly useful theory for addressing specific leader behaviors expected to contribute to organizational or unit effectiveness.
5. Leadership style refers to a leader's behaviour. It is the result of the philosophy, personality and experience of the leader.
6. Conflict is actual or perceived opposition of needs, values and interests. A conflict can be internal (within oneself) to individuals. Conflict as a concept can help explain many aspects of social life such as social disagreement, conflicts of interests, and fights between individuals, groups, or organizations.

REVIEW QUESTIONS

1. Define Leadership and discuss its scopes.
2. What are the principal qualities of leadership?
3. Discuss the trait theory of leadership.

4. State the situational and contingency theory of leadership.
5. Point out the principle of functional leadership model.
6. Discuss the leadership style.
7. What do you understand by conflict?
8. How is conflict managed easily?

FURTHER READINGS

Thomas-Hunt, M.C., and K.W. Phillips. "When What You Know is Not Enough: Expertise and Gender Dynamics in Task Groups." *Personality & Social Psychology Bulletin* 30 (2004): 1585-1598.

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CHAPTER – V

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ORGANISATIONAL CHANGE

STRUCTURE

- Introduction
- Forces of Change
- Effects Seen at the Workplace
- Dealing with Organisational Change
- Globalisation and Organisational Cross Cultures
- Summary
- Review Questions
- Further Readings

LEARNING OBJECTIVES

After going through the unit, students will be able to:

- state the concept of organisational change and forces behind it;
- explain the effects of organisational changes;
- explain the globalisation and organisational cross cultures.

INTRODUCTION

Today's business environment produces change in the workplace more suddenly and frequently than ever before. Mergers, acquisitions, new technology, restructuring and downsizing are all factors that contribute to a growing climate of uncertainty. Jobs, health, even marriages can be placed at risk, jeopardizing productivity and profitability.

People have deep attachments to their organization, work group, and way of working. The ability to adapt to changing work conditions is key for individual and organizational survival. Change will be ever present and learning to manage and lead change includes not only understanding human factors but also skill to manage and lead change effectively.

During the change process, there are common predictable stressors, but how we react to those stressors will differ for each person since we are all unique individuals. The anxiety and confusion that result from not knowing what lies ahead can create stress. People will utilize basic defenses when there is a high degree of uncertainty. In this state of ambiguity, people can easily resort to distrust, withdrawal and self-protection. People are told that the old ways are no longer working and often this message becomes personalized that they are not valued.

For the employee, the emotional reactions while going through an organizational change can be similar to the stages of grief associated with personal loss. The employee may initially feel shock or denial when the organizational change is announced. Reactions such as "they can't do this," "this can't be happening" are common. At this stage, most employees will want to know exactly how this change will affect them, their benefits, their work hours, their family and will not "hear" much other information. At the next stage the employee may feel anger, resentment or sadness in response to the changes. "This isn't fair," "why are they doing this to me?" are normal reactions and productivity on the job is usually lower as employees discuss and process the changes among themselves. Tearfulness is common.

The employee experiencing organizational change at a personal level often feels threatened and is fearful. Managers recognizing this can better intervene with employees by acknowledging feelings, letting the employee vent and ask questions, and by being supportive that change is difficult. The Manager who moves straight into why the change is best for everyone and how business is going to be conducted disregards the human nature element - the emotions that are normal and natural for anyone feeling threatened by change to feel. At every step in the process of implementing an organizational change, a good Manager will ask him/herself "How might I react to this information or these changes if I were in the employee's shoes?" and try to tailor responses accordingly.

As the organization implements the changes though, the reality of the change becomes present and employees may either resist the changes or start to adjust to the changes depending on the person. The employee who continues to resist, remains angry and is labeled as "difficult" is feeling more threatened and may need some one-to-one time with the Manager to discuss the changes or at some point, may need clarification from the Manager about performance expectations in light of the changes.

UNIT - I

Significant organizational change occurs, for example, when an organization changes its overall strategy for success, adds or removes a major section or practice, and/or wants to change the very nature by which it operates. It also occurs when an organization evolves through various life cycles, just like people must successfully evolve through life cycles. For organizations to develop, they often must undergo significant change at various points in their development. That's why the topic of organizational change and development has become widespread in communications about business, organizations, leadership and management.

Leaders and managers continually make efforts to accomplish successful and significant change — it's inherent in their jobs. Some are very good at this

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effort (probably more than we realize), while others continually struggle and fail. That's often the difference between people who thrive in their roles and those that get shuttled around from job to job, ultimately settling into a role where they're frustrated and ineffective. There are many schools with educational programs about organizations, business, leadership and management. Unfortunately, there still are not enough schools with programs about how to analyze organizations, identify critically important priorities to address (such as systemic problems or exciting visions for change) and then undertake successful and significant change to address those priorities. This Library topic aims to improve that situation.

FORCES OF CHANGE

Today's organisations are facing both external and internal forces that makes change inevitable. External forces such as new workforce demographics; changing expectations about quality, productivity, and customer satisfaction; and new technologies are dramatically affecting the operating environment in organisations worldwide.

Internally, financial constraints, the requirement to do more with less, cross functional teams, mergers and acquisitions, and empowered workers all affect organisational abilities to compete in the global marketplace.

Outsourcing, globalisation, automation, downsizing, best practices, re-engineering, repositioning and other terms all mean change to your work force.

DIVERSITY

Globalization is impacting how organizations compete with each other. In combination with changing demographics, globalization is causing a rapid increase in diversity in organizations. Never before have people been required to work together with colleagues and customers from so many different cultures and countries.

Diversity is moving American society away from "mass society" to "mosaic society". Organizations reflect this "mosaic society" in their more diverse workforce (in terms of not only race, ethnic or culture but also in terms of age, sexual orientation, and other demographic variables). More than ever, people have to interact and communicate with others who come from diverse backgrounds. This in turn has meant that employees need new relational skills to succeed. An emerging stream of research in international management has called these new relational skills "cultural intelligence". Cultural intelligence is defined as the capability to adapt effectively across different national, organizational and professional cultures (Earley, Ang and Tan, 2005). More managers take up global work assignments in industries around the world. They learn how to work with

people who not only think and communicate differently but also do things differently. Managers will need to develop their cultural intelligence to manage greater diversity in organizations.

Diversity in organizations will continue to increase. As indicated by the U.S. Census Bureau National Population Projections, the Hispanic population will increase by 11.2 percent between 2000 and 2025 to become the largest minority group in the United States. All other minority groups will increase by about 9 percent, while the number of Caucasians will decrease by approximately 19 percent. The world population is growing at a high rate in developing countries, while remaining stable or decreasing in the developed world. The result will be income inequities and economic opportunity leading to increased immigration and migration within and between nations. More temporary workers will be used for specific tasks, and there will be a greater demand for highly skilled workers.

The aging American workforce population means more retirees and potential gaps in availability of experienced workers. According to American Association of Retired Persons (AARP), by 2015 nearly one in five U.S. workers will be age 55 or older. Retirees often want to keep a foot in the workplace. AARP's research shows that nearly 8 of 10 baby boomers envision working part time after retirement; 5 percent anticipate working full time at a new job or career; only 16 percent foresee not working at all.

People of different ethnic and cultural backgrounds possess different attitudes, values, and norms. Increasing cultural diversity in both public and private sector organizations focuses attention on the distinctions between ethnic and cultural groups in their attitudes and performance at work. This greater focus can result in the tension between finding similarities and accentuating differences in the face of greater diversity in organizations.

There is an on-going debate between the *heterogenists* and the *homogenists* concerning the impact of greater diversity in organizations. The *heterogenists* contend that diverse or heterogeneous groups in organizations have performance advantages over homogeneous groups while the *homogenists* take the opposing view—that homogeneous groups are more advantageous than heterogeneous or diverse groups in organizations.

According to the *heterogenists*, organizations with greater diversity have an advantage in attracting and retaining the best available human talent. The exceptional capabilities of women and minorities offer a rich labor pool for organizations to tap. When organizations attract, retain, and promote maximum utilization of people from diverse cultural backgrounds, they gain competitive advantage and sustain the highest quality of human resources.

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Organizations with greater diversity can understand and penetrate wider and enhanced markets. Not only do these organizations embrace a diverse workforce internally, they are better suited to serve a diverse external clientele. Organizations with greater diversity also display higher creativity and innovation. Especially in research-oriented and high technology organizations, the array of talents provided by a gender- and ethnic-diverse organization becomes invaluable. Heterogeneous or diverse groups display better problem solving ability as they are more capable of avoiding the consequences of *groupthink*, compared to highly cohesive and homogeneous groups that are more susceptible to conformity.

On the other hand, greater organizational diversity has its drawbacks. With the benefits of diversity come organizational costs. Too much diversity can lead to dysfunctional outcomes. Diversity increases ambiguity, complexity, and confusion. Organizations with greater diversity may have difficulty reaching consensus and implementing solutions. In many organizations, diversity can produce negative dynamics such as ethnocentrism, stereotyping and cultural clashes.

The *homogenists* argue that homogeneous groups often outperform culturally diverse groups, especially where there is a serious communication problem. Cross-cultural training is necessary to enable culturally diverse groups to live up to their potential and overcome communication difficulties. The diversity movement, according to the *homogenists*, has the potential to polarize different social groups and harm productivity while breeding cynicism and resentment, heightening intergroup frictions and tensions, and lowering productivity, just the opposite of what managing diversity is intended to accomplish.

The challenge therefore is for management to manage the tension produced by heterogeneity versus homogeneity. If properly managed, organizations can reap the benefits of greater diversity. Aside from proper management, organizations need to learn to appreciate and value diversity before the benefits of diversity can be fully realized. To achieve this, diversity training programs may help people in organizations understand and value diversity.

FLEXIBILITY

Globalization and diversity trends are forcing organizations to become more flexible and adaptable. To be able to function globally and to embrace diversity, leaders and employees in organizations have to become more flexible and develop a wider repertoire of skills and strategies in working with diverse groups of people in the workplace as well as in the marketplace.

The response to increased diversity has, in many cases, been increased organizational flexibility. Some organizations allow workers to have very different work arrangements (e.g. flex-time) and payment schedules. Some organizations

(and workers) have found it convenient to treat some workers as independent consultants rather than employees. In certain occupations, advances in communication and information technologies have enabled *telecommuting* – working at home via computer. One consequence of this is the blurring of boundaries between work and home, and where and when work occurs. The benefits of greater flexibility may be countered by the negative consequences of working 24/7 including higher stress and burnout.

The response to increased competition, however, has resulted in a tension generated by the demands to be flexible and yet maintain some stability as changes are implemented in organizations. To stay competitive, organizations are constantly changing and restructuring to increase flexibility and decrease costs. Business process reengineering, business process out-sourcing, job redesign, and other approaches to optimize business processes have been implemented to increase operational and process efficiency while reducing the costs of doing business.

Changes in business and operational processes need time to stabilize for employees to learn the new processes, become familiar with them, and be able to operate effectively and efficiently. Yet, competitive pressures can cause organizations to go through a series of changes without giving employees adequate time for learning and training, and for the benefits of the change to be fully realized in the organization. This tension is well-captured by Columbia Business School professor Eric Abrahamson in his book, *Change Without Pain* (2004) in which he discussed how organizations can go through change overload and how employees can experience change fatigue and burnout. Professor Abrahamson proposes “creative recombination” as an alternative approach to the highly destructive, destabilizing and painful changes caused by “creative destruction”.

FLAT

In a greater competitive marketplace, speed or response time is critical. How organizations response to customers and other stakeholders or be the first to market may make a significant difference as time is at a premium. Organizations that can develop new technologies faster or can adapt to changes in the market faster are the ones that will survive the competition. To maximize response time, organizations have been flattening their hierarchies and structures, in addition to other initiatives such as downsizing and networking. Flat organizations make decisions more quickly because each person is closer to the ultimate decision-makers. There are fewer levels of management, and workers are empowered to make decisions. Decision-making becomes decentralized.

However, flat organizations create a new tension between decentralization and centralization. Among the drivers of decentralization are communications technologies that allow companies to push decision-making away from the core.

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Proponents of decentralization emphasize the idea that less hierarchical organizations mirror the efficiencies of the networks that enable them: they are faster, more resilient, more responsive, more flexible and more innovative. Also, they argue, people who work within decentralized organizations feel empowered and energized. They do not need to focus on the chain of command and they do not feel constrained by it.

Organizations are caught between the opposing forces of centralization and decentralization. They want to leverage the opportunities offered by decentralization and create more nimble and forceful organizations, but they cannot always do so because the forces of centralization come into play. There are obvious benefits to centralization as control is comparatively tighter and accountability is clearer compared to a flatter, more decentralized organizational structure.

Take the example of IT operations. The key to a centralized organization's success is its responsiveness. If the centralized operation can be responsive to the needs of the business, then that approach can make sense. Several companies, such as DaimlerChrysler and PepsiCo, have migrated back to centralizing IT operations after attempts at decentralization.

The debate over the centralization versus decentralization of operations in organizations is an enduring one. It is an age-old battle of standardization versus autonomy, corporate efficiency versus local effectiveness and pressure on costs and resources versus accommodation of specific local needs.

Vacillation between centralization and decentralization is both non-productive and unnecessary. Organizations, as they desire to become flatter, will need to be clear about how they need to respond to the tension between centralization and decentralization.

NETWORKS

Organizations that flatten tend to encourage horizontal communication among workers. Rather than working through the organizational hierarchy, it is often faster for workers who need to coordinate with each other simply to communicate directly. Such organizations are highly networked.

Another meaning of networked organizations refers to their relations to other organizations. Organizations that have downsized to just their core competencies must then outsource all the functions that used to be done inhouse. To avoid losing time and effort managing contracts with suppliers, organizations have learned to develop close ties to their suppliers so that social mechanisms of coordination replace legal mechanisms, which are slow and costly. In many industries, such as the garment industry in Italy, strong relationships have developed between manufacturers and suppliers (and other manufacturers), so

that considerable work is done without a contract and without even working out a firm price. For these networked organizations to work, high trust and social capital between organizations are key elements.

Networked organizations are particularly important in industries with complex products where technologies and customer needs change rapidly, such as in high technology industries. Close ties among a set of companies enables them to work with each other in ways that are faster than arms-length contracts would permit, and yet retains the flexibility of being able to drop the relationship if needed (as opposed to performing the function in-house). The trend towards networked organizations and structures create a new tension between interdependence and independence. The forces of aggregation and disaggregation throw up new challenges for organizations, for example, the use of independent contractors, joint ventures, strategic partnerships and alliances even with competitors.

One advantage of networks is that organizations have greater flexibility and thus they can become more competitive in the global marketplace. Another advantage is that organizations do not require that many resources such as employee benefits, office space, and financing for new business ventures.

On the other hand, networks have distinct disadvantages. Organizations may find it more difficult to control quality of goods or services as they now have to depend on their partners in the networks to deliver the quality that is desired. Legal and contracting expertise as well as negotiation expertise will also be important for networks. Alternative forms of control may need to be developed to control quality. Alternative mechanisms for coordination may also need to be developed to manage the growing constellation and sometimes tenuous nature of other partner organizations in the network.

All the five trends and the tensions they produce result in greater organizational or system complexity for both leaders and employees in organizations. The tensions produced by these trends cannot be solved. They have to be managed. Effective approaches in organizational change will involve not one strategy but many alternatives and will require leaders and employees to develop greater resilience in confronting these tensions.

EFFECTS SEEN AT THE WORKPLACE

Absenteeism: As individuals see jobs eliminated and friends leaving, they may work longer hours. They feel more concern about their own security and future and put less effort into maintaining balance in their lives. Complaints of burnout increase. Health may deteriorate, and stress related symptoms increase. More workdays are missed for illness.

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Reduction In Productivity: Less work gets done even by employees who come to work. In an atmosphere of ambiguity and uncertainty, individuals may withdraw support from one another and become self-protective. Superiors may provide less information and that which is provided may be more inconsistent. Working relationships can deteriorate as competition increases and turf battles are intensified in order to justify and protect departments and jobs.

Loss of Valued Employees: Confident, skilled, and experienced employees in the midst of ambiguity and uncertainty may be looking for or are invited to consider other career opportunities.

Another stress may result from the feeling of being insufficiently skilled as changes are implemented and new ways of conducting business begin. New practices and skills must be intentionally learned and practiced. Consider what you have to offer and what you need to learn.

There is no right or wrong way to react to change. But, there are things you can do to help yourself adjust to change and get involved in positive ways.

DEALING WITH ORGANIZATIONAL CHANGE

Individuals can reduce the impact of change and resulting stress by focusing on the value to be gained. The following are some ways to help approach change with a positive attitude:

- **Keep an open mind.** Do not assume that the results of change will be negative. Change may be the best thing that ever happened to you.
- **Stay flexible.** Be ready to let go of the old and try the new. Talking with colleagues can help allay stress and foster a supportive environment.
- **Be supportive of colleagues.** It is important that people recognize each other's contributions on a regular basis and show appreciation for one another.
- **Take an active role in the change process.** Learn new skills, offer suggestions, set goals for yourself.
- **Give change a chance to work.** Be patient; change takes time.
- **Ignore rumors.** Instead, focus on gathering as many facts as you can about change. Talk with your supervisor when you have questions.
- **Pay attention to yourself.** It is important to learn to manage stress. People who feel good mentally and physically are better able to handle change. Eat a nutritious diet, get enough sleep, exercise, limit alcohol use and utilize relaxation/stress management techniques (e.g., deep breathing, progressive muscle relaxation), so your body and mind are able to deal with change.

People tend to blame the organization or top management for the changes occurring within the organization. Top management's actions are usually reactions to some outside force, such as stiffer competition, shifts in the marketplace or new technology. It is important to realize that change is a key to surviving and growing in today's global economy.

Change is inevitable and we will be surfing on this wave of transition. Without change we would run the risk of becoming stale and unresponsive. The challenge we face is to learn to move through this wave of transition as easily and creatively as possible.

UNIT – II

Organizations have entered a new era characterized by rapid, dramatic and turbulent changes. The accelerated pace of change has transformed how work is performed by employees in diverse organizations. Change has truly become an inherent and integral part of organizational life.

Several emerging trends are impacting organizational life. Of these emerging trends, five will be examined: globalization, diversity, flexibility, flat, and networks. These five emerging trends create tensions for organizational leaders and employees as they go through waves of changes in their organizations. These tensions present opportunities as well as threats, and if these tensions are not managed well, they will result in dysfunctional and dire organizational outcomes at the end of any change process.

GLOBALISATION AND ORGANISATIONAL CROSS CULTURES

Globalization refers to the process of integration across societies and economies. The phenomenon encompasses the flow of products, services, labor, finance, information, and ideas moving across national borders. The frequency and intensity of the flows relate to the upward or downward direction of globalization as a trend.

There is a popular notion that there has been an increase of globalization since the early 1980s. However, a comparison of the period between 1870 and 1914 to the post-World War II era indicates a greater degree of globalization in the earlier part of the century than the latter half. This is true in regards to international trade growth and capital flows, as well as migration of people to America.

If a perspective starts after 1945—at the start of the Cold War—globalization is a growing trend with a predominance of global economic integration that leads

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to greater interdependence among nations. Between 1990 and 2001, total output of export and import of goods as a proportion of GDP rose from 32.3 percent to 37.9 percent in developed countries and 33.8 percent to 48.9 percent for low- to middle-income countries. From 1990 to 2003, international trade export rose by \$3.4 to \$7.3 trillion. Hence, the general direction of globalization is growth that is unevenly distributed between wealthier and poorer countries.

RATIONALE

A primary economic rationale for globalization is reducing barriers to trade for the enrichment of all societies. The greater good would be served by leveraging comparative advantages for production and trade that are impeded by regulatory barriers between sovereignty entities. In other words, the betterment of societies through free trade for everyone is possible as long as each one has the freedom to produce with a comparative advantage and engage in exchanges with others.

This economic rationale for global integration depends on supporting factors to facilitate the process. The factors include advances in transportation, communication, and technology to provide the necessary conduits for global economic integration. While these factors are necessary, they are not sufficient. Collaboration with political will through international relations is required to leverage the potential of the supporting factors.

HISTORICAL BACKGROUND

Globalization from 1870 to 1914 came to an end with the World War I as various countries pursued isolationism and protectionism agendas through various treaties—the Treaty of Brest-Litovsk (1918), the Treaty of Versailles (1918), the Treaty of St. Germain (1919), and the Treaty of Trianon (1920). U.S. trade policies—the Tariff acts of 1921, 1922, 1924, 1926, and the Smooth Hawley Tariffs of 1930—raised barriers to trade. These events contributed to the implosion of globalization for more than forty years.

Toward the end of World War II, forty-four countries met in an effort to re-establish international trade. The milestone is referred to as Bretton Woods, named after the New Hampshire country inn where the meeting was held. Results of Bretton Woods included the creation of the International Monetary Fund (IMF), the World Bank, and subsequently, the General Agreements on Tariffs and Trade (GATT).

In 1948 the International Trade Organization (ITO) was established as an agency of the United Nations, with fifty member countries and the Havana Charter to facilitate international trade but it failed. As a result, GATT rose to fill the void as a channel for multilateral trade negotiations and recognition of “Most Favored Nation” status that applied the same trading conditions between

members that applied to other trading partners with "most favored" partner standing.

GATT involved a number of different multilateral rounds of trade negotiations to reduce trade barriers and facilitate international trade. In the first round, the twenty-three founding members of GATT agreed to 45,000 tariff concessions affecting 20 percent of international trade worth \$10-billion. Many of GATT's trade rules were drawn from the ITO charter. Subsequent trade rounds involved more members and additional issues, but the basic foundation of GATT remained the same.

In the second round, the Kennedy Round of the mid-1960s, the focus continued with tariff reductions.

In the third round, the Tokyo Round (1973–1979), 102 countries participated to reform the trading system, resulting in tariff on manufactured products reduced to 4.7 percent from a high of 40 percent at the inception of GATT. Important issues revolved around anti-dumping measures, and subsidies and countervailing measures. The reduction of trade barriers enabled about an average of 8 percent growth of world trade per year in the 1950s and 1960s.

In the fourth round, the Uruguay Round (1986 to 1993), 125 countries participated to develop a more comprehensive system.

On April 15, 1995, in Marrakesh, Morocco, a deal was signed to create the World Trade Organization (WTO), which replaced GATT with a permanent institution that required a full and permanent commitment. The WTO encompasses trade in goods, services, and intellectual property related to trade with a more efficient dispute settlement system.

COMPLEXITIES AND CONTROVERSIES

The increase of globalization surfaced many complex and controversial issues as economies and societies became more interdependent with greater frequency of interactions between one another. A number of important trends make up globalization including: (1) location of integration activities; (2) impact upon poorer societies; (3) flow of capital; (4) migration of labor and work; (5) diffusion of technology; (6) sustainability of the natural environment; (7) reconfiguration of cultural dynamics; and (8) development of organizational strategies for global competition.

Many authors specialize in exploring each issue with much greater depth. The purpose of reviewing the different trends in this essay is to provide some highlight concerning the interrelated complexities underlying globalization.

Location of Integration Activities

The extent of globalization unfolds in an uneven fashion to the degree that the question is raised whether international trade is more focused on regional

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rather than global integration. Trading blocs, such as the North American Free Trade Agreement (NAFTA), the European Union (EU), the Asia-Pacific Economic Co-operation (APEC), Mercosur (South American trading bloc), the Association of South East Asian Nations (ASEAN), and the East Africa Community (EAC), support regional cooperation between geographical neighbors.

Georgios Chortareas' and Theodore Pelagidis' research findings on openness and convergence in international trade indicate that intra-regional trade increased more than global trade in most situations. They stated that "... despite the positive international climate resulting from important reductions in transportation costs, the development of new technologies and trade liberalization markets continue to be determined, to a large extent, regionally and nationally..."

Within NAFTA, intra-regional exports rose from 34 percent in the 1980s to more than 56 percent in 2000; exports between Asian country members amounted to 48 percent in 2000; and exports within the EU were sustained at about 62 percent.

An example of limitations to fair market access for developing countries is that developed countries subsidize agricultural producers with about \$330 billion per year, which creates a significant disadvantage for poorer economies without such subsidies. The impact is exacerbated because 70 percent of the world's poor population lives in rural communities and depends heavily on agriculture. Hence, one of the concerns with uneven distribution of globalization is its impact on poorer economies by perpetuating systems of inequality.

Impact on Poorer Societies

A challenge to globalization is that inequality arises from imbalances in trade liberalization where the rich gain disproportionately more than the poor. Ajit K. Ghose examined the impact of international trade on income inequality and found that inter-country inequality increased from 1981 to 1997, in a sample of ninety-six national economies, but international inequality measured by per capita GDP declined. The ratio of average income for the wealthiest 20 percent compared to the poorest 20 percent rose from 30 to 74 from the early 1960s to the late 1990s.

In 2004, one billion people owned 80 percent of the world's GDP, while another billion survives on a \$1. However, during the same period, when average income is weighted by population, income inequality dropped by 10 percent in the same period. Also, global income distribution became more equal with other measures such as purchasing power parity or the number of people living in poverty.

The World Development Indicators for 2004 showed a drop in absolute number of people living on \$1 per day from 1.5 billion in 1981 to 1.1 billion in

2001 with most of the achievements taking place in the East Asia region. Thus, the impact of globalization on inequality is a complex issue depending on the particular measures. More specific examination needs to account for other contributing factors, such as how regionalism increases concentration of trade between countries that are wealthier and leaving poorer countries at the margin.

Flow of Capital

The flow of capital relates to both regionalism and inequality issues. Two forms of capital flow are foreign direct investments (FDI) made by business firms and investment portfolios, diversified with foreign assets or borrowers seeking foreign funding. Data from the World Bank indicated that FDI grew from an average of \$100 billion per year in the 1980s to \$370 billion in 1997. Net private capital flow amounts to about \$200 billion in 2004.

Also, some economies have significant remittance flows from labor migration, which were approximately \$100 billion in 2003 and \$126 billion in 2004 for ninety developing countries. Some Caribbean countries receive more than 10 percent of their GDP from remittances. While developing countries are the primary recipients of remittances, transaction costs can amount to 10 to 15 percent per transaction. Reducing such obstacles would benefit poorer countries with heavy dependencies on remittances. The flow of money across national borders relates to the migration of both labor and work.

Migration of Labour and Work

An important dimension of globalization is the migration of people. While the proportion of migration was greater during the earlier mercantilism period, sovereign border controls to a large extent create a filtration process for migration. About 175 million people lived in a different country than their birth country in 2000. They can be separated into three categories: 158 million international migrants, 16 million refugees, and 900,000 asylum seekers.

An important global trend in the future is the movement of labor from developing to developed countries because of the latter's need for labor with an aging population. Family-sponsored migration makes up 45 to 75 percent of international migrants who mainly originate from developing countries to countries in Europe and North America.

Even before 9/11, legal migration of labor needed to overcome substantial bureaucracy in the border control process. The number applying for entry into developed countries often far exceeds the number permitted. Due to extensive legal processes, some migrants enter illegally, while others become illegal with expiration of legal status.

Anti-terrorism measures imposed shortly after the 9/11 attacks resulted in a minor shift in the flow of migrants away from the United States toward other

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developed countries. With the aging of baby boomers in many developed countries, future globalization of migrant labor flows is receiving more attention, especially in education, health care, retirement funding, and housing, as well as meeting workforce needs to sustain business competitiveness.

Although migrant labor often entails the movement of people in search of work, a related globalization trend is the migration of work to different geographical location. While multinational corporations (MNCs) often seek low-cost labor, innovation advances in computer technology, satellite communication infrastructures, internet developments, and efficient transportation network enable companies to distribute work in ways not possible before.

Compression of time and space with internet technology allows for the distribution of work to take place around the world with global virtual teams. The phenomena of outsourcing and offshoring expand on the earlier sourcing of low-cost manufacturing. During the 1960s and 1970s, MNCs migrated to low-wage labor to manufacture products that entailed significant labor costs.

Expansion of MNCs in the 1990s encompassed highly skilled workers, service work, and global virtual teams. Firms started to outsource information technology (IT) functions as early as the 1970s, but a major wave of outsourcing started in 1989 with the shortage of skilled IT workers in developed countries. At the same time, the trend of shifting work around the globe to leverage the different time zones began with the financial industry's ability to shift trading between the various stock exchanges in New York, Tokyo, and Hong Kong, and London.

Technological innovations in computers and the internet enabled other industries, such as software engineering, data transcription, and customer service centers to also shift work around the globe. Higher education and high-skill health care jobs are also embarking on global outsourcing.

In 2001, outsourcing expenditures amounted to \$3.7 trillion and the estimation for 2003 is \$5.1 trillion. The impact of global outsourcing is not just a relocation of jobs, but also a dampening of employee compensation levels in more developed economies. For example, in 2000, salaries for senior software engineers were as high as \$130K, but dropped to about \$100K at the end of 2002; and entry-level computer help-desk staff salaries dropped from about \$55K to \$35K. For IT vendor firms in countries like India, IT engineering jobs command a premium Indian salary that is at a fraction of their U.S. counterparts. In sum, migration of labor and work create complex globalization dynamics.

Diffusion of Technology

Innovations in telecommunication, information technology, and computing advances make up key drivers to support the increase of globalization. In 1995, the World Wide Web had 20 million users, exploded to 400 million by late 2000

and had an estimated one billion users in 2005. However, the rapid growth and adoption of information technology is not evenly diffused around the world.

The gap between high versus low adoption rates is often referred to as the digital divide. In 2002, the number of users per 1000 people was highest in Iceland at 647.9; others in the top five ranks of internet users included Sweden at 573.1, the United States at 551.4, Denmark and Canada both at 512.8, and Finland at 508.9. In comparison, countries at the low end of internet use were Tajikistan and Myanmar at 0.5 per 1000, Ethiopia at 0.7, the Congo at 0.9, Burundi at 1.2, and Bangladesh at 1.5.

The digital divide reflects other disparities of globalization. Globalization of computer technology also entails a growing trend of computer crimes on an international basis, which requires cross-border collaboration to address it. Additional globalization trends related to computer technology include developments in artificial intelligence, high-speed connections such as wireless applications, and integration with biotechnology.

Sustainability of the Natural Environment

The impacts of globalization on environment sustainability are hotly contested, with major environmental protests held at international economic meetings or prominent multilateral trade forums. The United Nation's 1987 publication of the *Brundtland Report* (named for Gro Brundtland, Prime Minister of Norway), galvanized international attention on sustainable development. A major assumption was that the degradation of the environment in developing countries was due primarily to poverty.

Some advocates of globalization consider free trade to be a solution to alleviate poverty and subsequently, reduce pollution. However, the arguments depend upon corporate social responsibility, managerial knowledge of environmental sustainability, and a level of ignorance in the developing community.

Critics find that often large MNCs have greater financial resources than some developing countries, which can be used to compromise and derail regulatory regimes from protecting the environment. For example, while a MNC may not produce or sell certain environmentally damaging products in a country with tight regulatory controls, they may find their way to markets with fewer environmental regulatory constraints—“pollution havens.” This line of logic leads to the notion of globalization becoming a “race to the bottom” as countries compete with lowering of environmental standards to attract foreign capital for economic development.

One of the landmarks on environmental globalization is the Kyoto Accord, an international treaty to reduce greenhouse gas emissions based on exchanging

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limited pollution credits between countries. After lengthy multilateral complex negotiations, the Kyoto Accord was concluded in December, 1997 for ratification by national governments. On February 16, 2005, the date for the Kyoto Protocol to take effect, 141 nations ratified the agreement. Even though the United States is the world's largest polluter in volume and per capita output of greenhouse gases, the Bush administration refused to ratify the Kyoto Accord.

Reconfiguration of Cultural Dynamics

Culture is another area of complex controversies with globalization. Competing perspectives about how globalization affects cultures revolve around the debates of cultural homogenization versus cultural diversification. The optimistic view of cultural globalization is that cultural diversity focuses on freer cultural exchanges with broader choices and enrichment of learning from different traditions. People have greater choices of globally produced goods, in addition to local offerings, without being bound by their geographical location. Alternatively, critics of cultural globalization present evidence demonstrating the depletion of cultural diversity through processes referred to as "Disneyfication" or "McDonaldization."

Furthermore, not only is cultural diversity diminished but cultural quality is as well with mass produced goods being directed toward a common denominator. The criticisms are related to a sense of "Americanization" of the world, rather than globalization. The process involves a sense of far-reaching, anonymous cultural imperialism. Debates from each perspective are intense with substantial evidence that also reveals complex ties to social and political dynamics within and between national borders.

Cultural globalization continues into the foreseeable future with many more controversial dynamics related to three important issues: 1) the impact of extractive industries on the socio-economic, cultural exclusion and dislocation of indigenous peoples and their traditional knowledge; 2) international trading of cultural goods and knowledge; and 3) inflow of immigration impacts on national culture, which creates a tension between a sense of threat to the national culture and migrant demands for respect to their traditions in a multicultural society.

Development of Organisational Strategies for Global Competition

The multiple dynamics of globalization—regionalism, inequality, financial flows, migration of labor and work, technological innovations, environmental sustainability, and cultural dynamics—form a turbulent and complex environment for managing business operations. While seven trends were highlighted to provide a brief sketch of interrelated complexities and controversies globalization, it also surfaced other significant issues. Global concerns revolve around terrorism, rapid transmission of pandemic diseases and viruses, the rise of China's and India's economies, an aging population in wealthier northern countries versus younger growing populations in the southern hemisphere, and advances in biotechnology are intricately embedded in globalization processes.

SUMMARY

1. Significant organizational change occurs, for example, when an organization changes its overall strategy for success, adds or removes a major section or practice, and/or wants to change the very nature by which it operates.
2. Today's organisations are facing both external and internal forces that makes change inevitable. External forces such as new workforce demographics; changing expectations about quality, productivity, and customer satisfaction; and new technologies are dramatically affecting the operating environment in organisations worldwide.
3. Globalization is impacting how organizations compete with each other. In combination with changing demographics, globalization is causing a rapid increase in diversity in organizations.
4. Globalization and diversity trends are forcing organizations to become more flexible and adaptable.
5. Globalization refers to the process of integration across societies and economies. The phenomenon encompasses the flow of products, services, labor, finance, information, and ideas moving across national borders.

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REVIEW QUESTIONS

1. What do you understand by organisational change?
2. Discuss the forces of organisational changes?
3. How is organisational changes dealt? Discuss.
4. Point out the impact of globalisation on poorer societies.
5. How does globalisation affect cultures? Discuss.

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